Inspired by India, Growing Responsibly

LEMON TREE HOTELS LIMITED

INTEGRATED ANNUAL REPORT 2023-24

AURIKA HOTELS & RESORTS · lemon tree PREMIER · lemon tree HOTELS · redfox BY LEMON TREE HOTELS · keys PRIMA BY LEMON TREE HOTELS · keys SELECT BY LEMON TREE HOTELS · keys LITE BY LEMON TREE HOTELS

**FOR WHEREVER YOU WANT TO GO,
WE ARE THERE FOR YOU**

What began as a single 49-room hotel in 2004 has evolved to almost 10,000 rooms across 100+ hotels under 7 brands, present in 64 destinations in India and 2 internationally. In close to two decades, we are proud to have created a team of ~8,500 employees and have delighted 1.44 lakh customers.

Lemon Tree Hotel, Sonmarg

Inspired by India, Growing Responsibly

Rooted in the spirit of Indian hospitality and innovation, Lemon Tree Hotels (LTH) has been on the path of responsible growth for approximately two decades now, harnessing our nation's dynamic energy and fulfilling the needs of an emerging class of aspirational consumers. Along the way, we have expanded our horizons to reach the length and breadth of India, while creating a sense of belonging and community for every guest. As India emerges as a prominent player on the global stage, it presents us with the opportunity to accelerate responsible growth, even beyond borders while staying true to our ethos of responsibility and sustainability at every step.

Reimagining the future of hospitality, with sustainability at the foundation of our brand, we are committed to blending the richness of India, our innovative spirit and passion for positive impact to deliver extraordinary guest experiences.

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About the Report

Lemon Tree Hotels Limited (hereafter referred to as 'Lemon Tree', 'Lemon Tree Hotels', 'LTH', 'Our Company', 'We') is delighted to present its third Integrated Report (and fourth ESG disclosure report). The Integrated Report for FY24 presents our Financial and Environment, Social and Governance (ESG) performance to our shareholders and other stakeholders, highlighting our key achievements, strategy and prospects.

Scope and Boundary

The Report covers the activities of Lemon Tree Hotels across 41 owned/leased hotels and 22 managed hotels and our subsidiaries, joint ventures, associates and other collaborations. For a comprehensive list of the 63 hotels covered in this Report, please refer to the annexure on Pg:94

Reporting Period

The Report covers the period from 1st April 2023 to 31st March 2024. The hotel portfolio numbers, including operational and pipeline properties, reported are as on 31st March 2024.

Framework, Guidelines and Standards

The Report has been prepared following the Integrated Reporting <IR> Framework under the International Financial Reporting Standards (IFRS) Foundation. It has also been prepared with reference to the Global Reporting Initiative (GRI) Standards 2021.

The Report is prepared in accordance with:

- The Companies Act, 2013 (and the rules made thereunder)
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- Indian Accounting Standards (Ind-AS)
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Secretarial Standards issued by the Institute of Company Secretaries of India
- United Nations Sustainable Development Goals (UN SDGs)

Precautionary Approach

We adopt a precautionary approach to minimise the environmental impact of our operations. We regularly review the Environment, Health and Safety (EHS) performance of our hotels to effectively identify and mitigate any potential negative impacts.

Responsibility Statement

The Board of Directors ensures the integrity of the Integrated Report by thoroughly reviewing the content and making sure it covers all significant issues and accurately represents the Company's overall performance and impact.

Data Integrity

Accuracy, reliability and transparency are fundamental in preparation of our Integrated Report. We collect and analyse relevant data to uphold these principles. Our rigorous internal controls are pivotal in delivering unbiased, comparable and comprehensive information within the Report. We prioritise transparency by acknowledging and disclosing any data limitations.

Materiality

We identify material issues by conducting a materiality assessment, which involves engaging with our stakeholders. This process is crucial for creating value among stakeholders and fostering trust and collaboration. Find out more about our materiality process on Pg:48

Material Topics

Environment

Water Management	65
Waste Management	67
Energy Management	59
Biodiversity	69
Climate Change and Emissions	62

Social

Health and Well-being	79
Commitment to Human Rights	81
Customer Delight	83
Diversity and Inclusion	74
Talent Management	78
Ethical Supply Chain Management	86
Local Community Development	82

Governance

Regulatory Compliance	25
Ethics and Transparency	115
Brand and Reputation Management	175
Economic Performance	20
Data Privacy	27

External Assurance

We have obtained independent assurance for our Report from Felix Advisory Private Limited. This assurance aligns with the GRI Standard 2021 and the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Their statement is included in the Report. Our business performance information is sourced from audited financial statements for FY24. You can find the assurance certificate on Pg:96

Lemon Tree Premier - 2, Leisure Valley, Gurugram

Our Capitals

- F Financial Capital
- M Manufactured Capital
- H Human Capital
- S Social and Relationship Capital
- I Intellectual Capital
- N Natural Capital

Our Stakeholders

- Employees
- Customers
- Regulatory Bodies/Government
- Investors and Shareholders
- Owners and Partners
- Suppliers and Vendors
- Contractors
- Online Travel Agents (OTAs)/Portals
- NGOs
- Local Communities
- Industry Associates
- Media
- Auditors
- Bankers

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Feedback

For any inquiries and feedback regarding the Report, please email us at: ESG@lemontreehotels.com

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FY24 HIGHLIGHTS

Driving Growth Responsibly

Aurika, Mumbai Skycity was launched this year with 669 rooms, making it the largest hotel in the country by number of rooms

We opened 17 new hotels and signed 38 new hotels

Our rating on long-term bank facilities was upgraded to 'CRISIL A/Stable' from 'CRISIL A-/Stable'

Our operational inventory exceeded 9,800 rooms[5]

Economic[1]

We are targeting to stabilise our Net EBITDA at 50% and become debt-free by FY29

₹1,076.8 Cr
Total Revenue

49.1%
EBITDA Margin

₹1,81.7 Cr
PAT

₹1,889 Cr
Gross Debt

[1] This is for LTH at a consolidated level.
[2] For the 41 owned/leased hotels.

Environment[2]

Committed to become 100% green building certified by FY26

29.27%
Certified Green Buildings (hotels)

10.75%
Renewable Energy (RE) usage

6.93%
Reduction in Energy Consumption (intensity-based) over the FY19 baseline

8.97%
Reduction in GHG emissions (intensity-based) over the FY19 baseline

Social

Aimed to include 20% Opportunity Deprived Individuals (ODIs) in our workforce by FY26

16.96%
ODIs in the workforce[3]

13%
Women across the workforce[3]

98%
Sourcing from local suppliers[4]

₹55.69 Lakhs
CSR spend by Lemon Tree Hotels and its subsidiary companies

[3] For the 41 owned/leased hotels.
[4] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report.
[5] For the entire network of owned/leased, managed/franchised hotels.

Governance

Maintaining the highest standards of governance and selecting a seasoned Board of Directors are integral to our governance framework.

70%
Independent Directors on the Board

20%
Women on the Board

66.67%
Committees led by Independent Directors

18%
Women participation in senior roles (KMPs and Senior Management)

LTH AT A GLANCE

20 Years of Delivering Delight

Lemon Tree is one of the largest hotel chains in India, with seven brands, 104 hotels and 9,858 rooms across 64 destinations in India and 2 overseas. As pioneers in the Indian mid-market hotel space, we have earned a reputation for delivering superior service experiences with an emphasis on affordability. Our compelling value proposition resonates across all segments, making us the go-to choice for travellers looking for great value.

Lemon Tree Hotel, Indore

Hotels by Contract Type
(%)

61% Managed/Franchised

39% Owned/Leased

Vision

Lemon Tree Hotels shall be the largest and most preferred Indian chain of upscale, upper-midscale, midscale and economy hotels and resorts.

Mission

We shall be committed to:

- Ensuring the well-being and self-worth of our colleagues, who are of the utmost importance to us.
- Contributing to the community we live in and to India in general.
- Delighting our guests, whose comfort, safety, security and well-being is our main reason for being.
- Rewarding our stakeholders, whose trust motivates us to excel further.
- Protecting the environment.
- Maximising the efficiency of our processes, to enable us to be the most cost-effective brand offering the greatest value, which our customers have every right to expect.

Core Values

HAS TO RISE

Health and Safety
We will always focus on ensuring the health, safety, security and well-being of all our stakeholders including the communities within which we operate our business.

Teamwork
We recognize that superlative performance is always the result of teamwork.

Ownership
We always take responsibility for our actions.

Respect and Empathy
We always exhibit respect and concern for colleagues, guests and partners.

Integrity
We always maintain the highest standards of fairness and transparency in all our dealings.

Spirited Fun
We create an exciting and spirited work environment encouraging our colleagues to think freely.

Excellence
We always drive excellence in what we do.

LTH AT A GLANCE

Our Strengths

We own, lease, operate and franchise hotels and resorts across the upscale, upper-midscale, midscale and economy segments.

Cost and Capital Efficiency

Strategic land acquisition by a skilled business development team reduces costs and enhances margins significantly. This enhances our ability to generate cash flows and aligns with our goal to become debt-free by FY29.

A/Stable
Credit rating by CRISIL (Upgraded from A-/Stable)

Pan-India Scale and Network

Broad geographic reach across major metros and Tier I to III cities caters to corporate, business and leisure travellers alike.

Present across
64
destinations[7]

Affordability and Customer Loyalty

Positioned strongly in the mid-scale segment, we navigate economic downturns effectively. Our loyalty programme facilitates expansion, leveraging a robust base of repeat guests.

84%
Retail Net Promoter Score (NPS)[6]

Superior Business Model

1.7X
RoCE compared to five-star hotels, lower development costs per room and higher occupancy rates.

12.25%
Return of Capital Employed (RoCE)

Our Strategic Priorities

SP 1 Asset-Light Growth and Network Effect
SP 2 Digital Transformation
SP 3 Retail Acceleration
SP 4 Loyalty Programme Expansion
SP 5 Cost Structure
SP 6 Capital Recycling
SP 7 Simplifying Group Structure

Our ESG parameters form the basis for establishing and executing these levers.

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[6] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report.
[7] For the entire network of owned/leased, managed/franchised hotels in India.

Lemon Tree Hotel, Hinjawadi, Pune

Our Brands

AURIKA HOTELS & RESORTS

lemon tree PREMIER

keys PRIMA BY LEMON TREE HOTELS

lemon tree HOTELS

keys SELECT BY LEMON TREE HOTELS

redfox BY LEMON TREE HOTELS

keys LITE BY LEMON TREE HOTELS

OUR PORTFOLIO

Quality in Every Segment

Our portfolio covers hotels and resorts across upscale, upper mid-scale, mid-scale and economy segments. Strategically located in India's vibrant urban hubs and iconic tourist hotspots, we provide easy access to comfortable stays, elevating the experience with smart in-room amenities, lively dining options, relaxing recreational activities and more, all at competitive prices.

Expansion and Management Contracts

We focus on asset-light expansion, driven by signing and opening more managed/franchised hotels. Currently, we have an inventory of 166 hotels with 14,014 rooms, including those in the pipeline. Our goal is to achieve a debt-free status in five years, with the incremental cash flow being applied towards debt reduction. Our diverse brand portfolio, extensive sales network, robust distribution platforms and exclusive loyalty programme have successfully attracted standalone hotel owners in Tier-II and Tier-III cities, providing a solid foundation for our growth.

In addition to entering the management and franchised space, we further drive growth by penetrating new markets and strengthening our position across segments. Our franchise division leverages existing brands and expands our network.

Operational[8]

9,858 Rooms	104 Hotels

Pipeline[9]

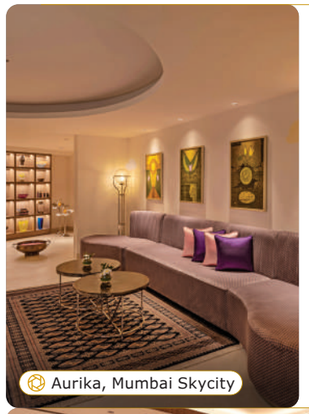
4,156 Rooms	62 Hotels

[8] For the entire network of owned/leased, managed/franchised hotels.
[9] For the entire network of owned/leased, managed/franchised hotels. The pipeline is subject to change over time.

Upscale Segment

AURIKA HOTELS & RESORTS

Aurika Hotels and Resorts are upscale properties that go 'beyond the unusual' by offering exclusive experiences in an extraordinary ambience. With an emphasis on sustainable design inspired by local culture and history, these properties combine beauty and elegance with comfortable informality. Our efficient service goes beyond the unusual and is anticipatory yet unobtrusive. Inspiring spaces, unexpected dining experiences, innovative technological solutions and seamless delivery ensure that you can work, play and relax effortlessly.


Aurika, Mumbai Skycity

Operational[8]

3

863

Pipeline[9]

2

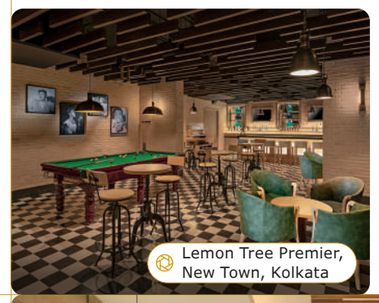
242

Aurika, Mumbai Skycity

Upper Mid-scale Segment

lemon tree PREMIER

Lemon Tree Premier is a chain of sustainably designed upper-midscale hotels and resorts that welcome you with their stylish and contemporary interiors. These refreshingly different properties offer warm, friendly and attentive service in a fresh and inviting ambience. Lemon Tree Premier pampers the style conscious traveller with personalised experiences, award winning restaurants and rejuvenating recreational options in a relaxed atmosphere.


Lemon Tree Premier, New Town, Kolkata

Lemon Tree Premier, Ulsoor Lake, Bengaluru

Operational[10]

19 2,607

Pipeline[11]

6 479

[10] For the entire network of owned/leased, managed/franchised hotels.
[11] For the entire network of owned/leased, managed/franchised hotels. The pipeline is subject to change over time.

Keys Prima by Lemon Tree Hotels, Thekkady

keys PRIMA BY LEMON TREE HOTELS

Keys Prima Hotels are sustainably designed upper-midscale hotels. These properties delight guests with their bright and trendy design and welcoming ambiance. At Keys Prima Hotels, the tasteful interiors and thoughtful, anticipatory service coupled with the brand's signature warm welcome and fond farewell make for a truly memorable experience.

Operational[10]

1 42

Pipeline[11]

1 55

Keys Prima by Lemon Tree Hotels, Thekkady

OUR PORTFOLIO

Mid-Scale Segment

Lemon Tree Hotel, Aurangabad

lemon tree HOTELS

Lemon Tree Hotels are sustainably designed midscale hotels that uplift your spirits at the end of a long day. These refreshingly different properties bring the outdoors in and delight guests with their fresh, vibrant interiors, fun, quirky elements and spirited environment. Warm greetings, friendly smiles and a whiff of our signature lemon fragrance welcome you here. These hotels make you feel close to home with their bright, comfortable rooms and service that goes the extra mile.

Lemon Tree Hotel, Kasauli

Operational[12]

54 3,657

Pipeline[13]

41 2,686

keys SELECT BY LEMON TREE HOTELS

Keys Select Hotels are sustainably designed midscale hotels. These properties delight guests with their chic interiors, comfortable rooms, convenient business facilities and pleasing dependable service. At Keys Select Hotels, the lively ambiance and cheerful smiles go hand-in-hand with the brand's signature warm welcome and fond farewell. All this, at a sensible price.

Operational[12]

12 1,271

Pipeline[13]

4 296

Keys Select by Lemon Tree Hotels, Pimpri, Pune

Keys Select by Lemon Tree Hotels, Udaipur

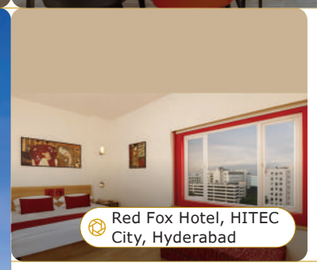
[12] For the entire network of owned/leased, managed/franchised hotels.
[13] For the entire network of owned/leased, managed/franchised hotels. The pipeline is subject to change over time.

Economy Segment

redfox BY LEMON TREE HOTELS

Red Fox Hotels are sustainably designed economy hotels. These unbeatably cool properties welcome you with their fun, bold interiors and crisp and clean rooms. Red Fox Hotels are young at heart and let you be yourself. Here, friendly smiles, professional service and reliable safety standards go hand in hand with an unmatched value proposition.

Red Fox Hotel, Neelkanth

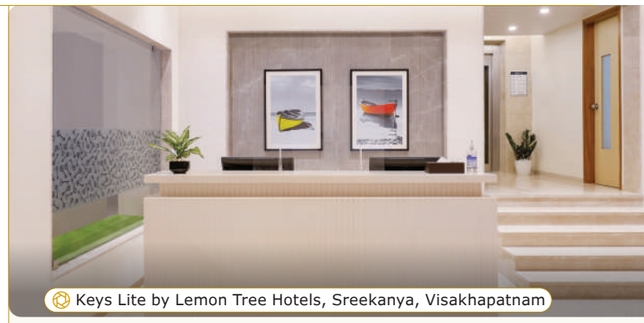

Red Fox Hotel, HITEC City, Hyderabad

Operational[14]

11 1,290

Pipeline[15]

1 50


Keys Lite by Lemon Tree Hotels, Sreekanya, Visakhapatnam

keys LITE BY LEMON TREE HOTELS

Keys Lite Hotels are sustainably designed economy hotels. These properties delight guests with their impeccably clean interiors, efficient, agreeable service and easy going atmosphere. The enhanced safety, security and hygiene measures, combined with the brand's signature warm welcome and fond farewell, make for a stress free stay at an affordable price.

Operational[14]

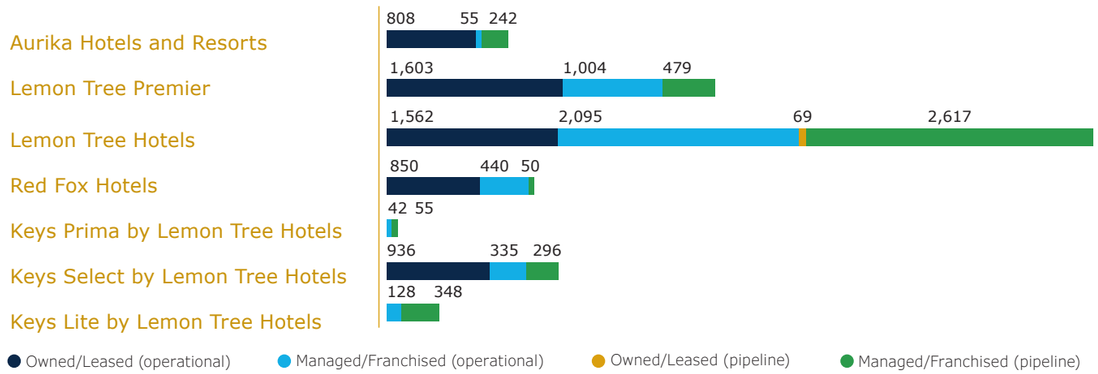
4 128

Pipeline[15]

7 348

Keys Lite by Lemon Tree Hotels, Sreekanya, Visakhapatnam

Total Rooms by Inventory Type[16]



[14] For the entire network of owned/leased, managed/franchised hotels.
[15] For the entire network of owned/leased, managed/franchised hotels. The pipeline is subject to change over time.
[16] For the entire network of owned/leased, managed/franchised hotels. This includes our pipeline, which is subject to change over time.

OUR PRESENCE

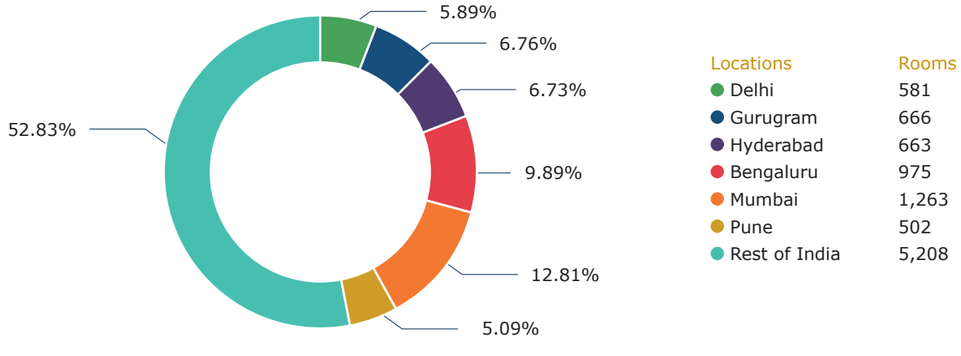
Growing with India, for India

We have opened 17 new hotels in major tourist destinations/business hubs and signed 38 new hotels in unique locations in FY24. With the Indian hospitality market poised for a structural shift, we aim to expand our footprint across the country from Tier II to IV cities, bringing the comfort of our properties to every traveller.

New Hotels Openings in FY24[17]

	Hotel Name	City	State	Country
1.	Aurika, Mumbai Skycity	Mumbai	Maharashtra	India
2.	Lemon Tree Hotel, Agra	Agra	Uttar Pradesh	India
3.	Lemon Tree Hotel, Bhopal	Bhopal	Madhya Pradesh	India
4.	Lemon Tree Hotel, Manali	Manali	Himachal Pradesh	India
5.	Lemon Tree Hotel, Rajkot	Rajkot	Gujarat	India
6.	Lemon Tree Suites, Whitefield, Bengaluru	Bengaluru	Karnataka	India
7.	Lemon Tree Hotel, Haridwar	Haridwar	Uttarakhand	India
8.	Lemon Tree Hotel, McLeod Ganj	McLeod Ganj, Dharamshala	Himachal Pradesh	India
9.	Lemon Tree Hotel, Sonmarg	Sonmarg	Jammu & Kashmir	India
10.	Lemon Tree Hotel, Hubli	Hubli	Karnataka	India
11.	Lemon Tree Hotel, Dapoli	Dapoli	Maharashtra	India
12.	Lemon Tree Hotel, Hisar	Hisar	Haryana	India
13.	Lemon Tree Premier, Malad, Mumbai	Mumbai	Maharashtra	India
14.	Keys Lite by Lemon Tree Hotels, Dapoli	Dapoli	Maharashtra	India
15.	Lemon Tree Resort, Kumbhalgarh	Kumbhalgarh	Rajasthan	India
16.	Keys Select by Lemon Tree Hotels, Udaipur	Udaipur	Rajasthan	India
17.	Lemon Tree Hotel, Kasauli	Kasauli	Himachal Pradesh	India

Region-wise Operational Inventory



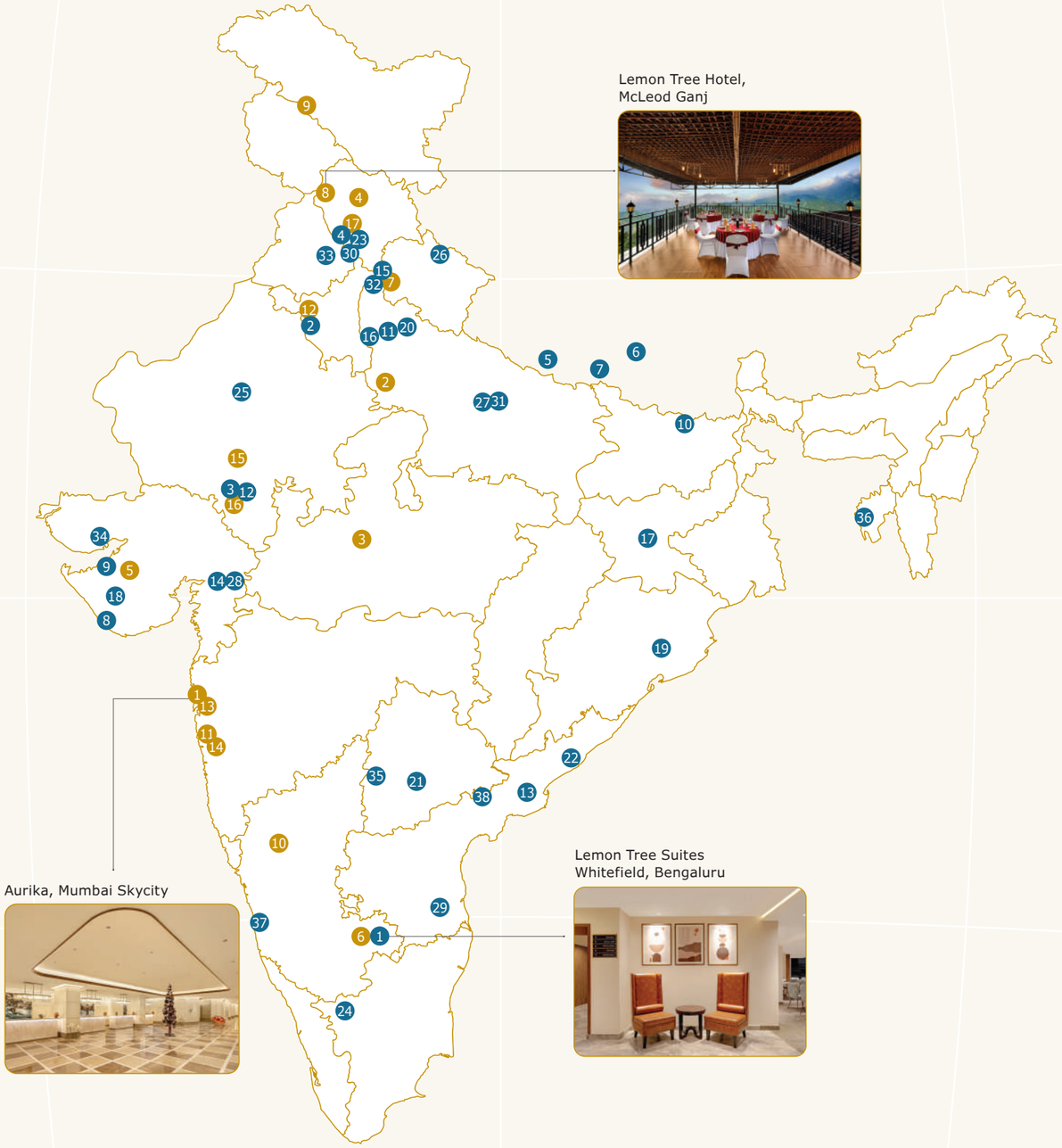
[17] For the entire network of owned/leased, managed/franchised hotels.

New Signings in FY24[18]

	Hotel Name	City	State	Country
1.	Lemon Tree Suites, Whitefield, Bengaluru	Bengaluru	Karnataka	India
2.	Lemon Tree Hotel, Hisar	Hisar	Haryana	India
3.	Keys Select by Lemon Tree Hotels, Udaipur	Udaipur	Rajasthan	India
4.	Lemon Tree Hotel, Kasauli	Kasauli	Himachal Pradesh	India
5.	Lemon Tree Resort, Lumbini	Lumbini	Lumbini Province	Nepal
6.	Lemon Tree Premier, Budhanilkantha, Kathmandu	Budhanilkantha, Kathmandu	Bagmati Province	Nepal
7.	Tigerland Safari – A Lemon Tree Resort, Chitwan	Chitwan National Park	Chitwan	Nepal
8.	Lemon Tree Resort, Somnath	Somnath	Gujarat	India
9.	Lemon Tree Hotel, Jamnagar	Jamnagar	Gujarat	India
10.	Lemon Tree Hotel, Motihari	Motihari	Bihar	India
11.	Lemon Tree Hotel, Meerut	Meerut	Uttar Pradesh	India
12.	Keys Lite by Lemon Tree Hotels, Urban Suites, Udaipur	Udaipur	Rajasthan	India
13.	Lemon Tree Hotel, Rajahmundry	Rajahmundry	Andhra Pradesh	India
14.	Keys Lite by Lemon Tree Hotels, Vadodara	Vadodara	Gujarat	India
15.	Lemon Tree Premier, Dehradun	Dehradun	Uttarakhand	India
16.	Lemon Tree Hotel, Noida	Noida	Uttar Pradesh	India
17.	Lemon Tree Hotel, Ranchi	Ranchi	Jharkhand	India
18.	Lemon Tree Hotel, Junagadh	Junagadh	Gujarat	India
19.	Lemon Tree Hotel, Bhubaneswar	Bhubaneswar	Odisha	India
20.	Lemon Tree Hotel, Mussoorie	Mussoorie	Uttarakhand	India
21.	Keys Select by Lemon Tree Hotels, Yadagirigutta	Yadagirigutta	Telangana	India
22.	Red Fox Hotel, Visakhapatnam	Visakhapatnam	Andhra Pradesh	India
23.	Lemon Tree Hotel, Mashobra, Shimla	Mashobra	Himachal Pradesh	India
24.	Keys Lite by Lemon Tree Hotels, Coimbatore	Coimbatore	Tamil Nadu	India
25.	Lemon Tree Resort, Sankhwas Garh	Sankhwas Garh	Rajasthan	India
26.	Lemon Tree Hotel, Badrinath	Badrinath	Uttarakhand	India
27.	Lemon Tree Hotel, Gomti Nagar, Lucknow	Lucknow	Uttar Pradesh	India
28.	Keys Select by Lemon Tree Hotels, Vadodara	Vadodara	Gujarat	India
29.	Lemon Tree Premier, Tirupati	Tirupati	Andhra Pradesh	India
30.	Lemon Tree Mountain Resort, Kasauli	Kasauli	Himachal Pradesh	India
31.	Lemon Tree Premier, Lucknow	Lucknow	Uttar Pradesh	India
32.	Keys Prima by Lemon Tree Hotels, Dehradun	Dehradun	Uttarakhand	India
33.	Lemon Tree Hotel, Zirakpur	Zirakpur	Punjab	India
34.	Keys Select by Lemon Tree Hotels, Anjar	Anjar	Gujarat	India
35.	Lemon Tree Resort, Marpalle	Marpalle	Telangana	India
36.	Lemon Tree Hotel, Agartala	Agartala	Tripura	India
37.	Lemon Tree Hotel, Kundapura	Kundapura	Karnataka	India
38.	Keys Lite by Lemon Tree Hotels	Vijaywada	Andhra Pradesh	India

[18] For the entire network of owned/leased, managed/franchised hotels

NEW OPENINGS AND NEW SIGNINGS



Note: Map not to scale.

66
Total Destinations[19]

2
International Destinations[19]

Total Portfolio

166
Hotels[20]

14,014
Rooms[20]

105
Operating Destinations[20]

Lemon Tree Premier, Rishikesh

[19] For current inventory for the entire network of owned/leased, managed/franchised hotels.
[20] For future inventory for the entire network of owned/leased, managed/franchised hotels. This includes our pipeline, which is subject to change over time.

CHAIRMAN'S MESSAGE

A Legacy of Quality and Excellence

Dear Shareholders,

I am delighted to share the third Integrated Report of Lemon Tree Hotels (LTH), which outlines our robust financial and non-financial performance in FY24. We set new milestones in revenue and operational excellence while expanding our footprint in India and internationally. This showcases our ability to navigate a dynamic market landscape. Our journey is inspired by India's growing aspirations. From our small beginning as a single mid-market hotel 20 years ago, we have evolved to own and operate over 100 hotels in nearly 70 destinations, including Dubai and Bhutan, spanning the upscale, upper-midscale, midscale and economy segments. In FY24 also, we witnessed 38 new signings and 17 hotel openings, including Aurika, Mumbai Skycity - India's largest hotel by number of rooms.

Soaring High with India

The Government of India projects the travel and tourism sector to recover to pre-pandemic levels by 2024-25, with foreign tourist arrivals increasing by 435% over three years[21]. By 2024, the sector is expected to contribute $150 billion to India's GDP, growing to $250 billion by 2030[21]. However, the Indian hotel industry remains highly fragmented, with under 7% of the 2.8 million available rooms being branded. Our growth prospects are strengthened by an increasing demand for branded rooms, which is anticipated to rise at a CAGR of about 10.6% from FY24 to FY27. This growth rate surpasses the expected supply expansion, which is projected to grow at approximately 6% CAGR during the same period. Future supply growth is expected to be driven more rationally by institutional ownership, leading to healthier financial performance. This robust demand-supply dynamic points to a promising landscape for us. With our asset light strategy in place, Lemon Tree is well poised to keep this momentum going.

Pursuing Growth and Success

In FY24, we recorded a strong 23% Y-o-Y growth in total revenue to ₹1,076.8 Crores. However, our net EBITDA margin dropped 278 bps from FY23 to 49.1% in FY24, as we made strategic investments in renovation, expanding our business development team and addressing payroll increases due to inflation - which were crucial for our long-term growth. Total network revenue stood at ₹1,621 Crores for FY24, compared to ₹1,330 Crores in FY23, which translates to an increase of 22%.

We focused on building occupancy, achieving an increase of 173 bps compared to FY23. Additionally, our Average Room Rate (ARR) increased by 10% compared to FY23, reaching ₹5,876[22]. This improvement translated into a revenue per available room (RevPAR) of ₹4,103, reflecting a 10.9% growth.

Our Profit After Tax (PAT) for FY24 was at ₹181.7 Crores, an increase of 29% Y-o-Y. Our cash profit demonstrated a 24% Y-o-Y growth, reaching ₹293.8 Crores. The total management fees received was ₹134.3 Crores, which was 30% higher than in FY23.

With prudent financial management, our gross debt (on 31st March 2024) stood at ₹1,889.1 Crores, owing to borrowing against Aurika, Mumbai Skycity, while the average cost of borrowings was 8.86% which was a reduction of 22 bps versus FY23.

Total revenue

₹1,076.8 Cr

23% ▲ Y-o-Y growth

Total network revenue in FY24

₹1,621 Cr

Focus on Inclusivity, Sustainability and Empowerment

At LTH, sustainability is a cornerstone of our business, driven by a strong ESG focus. We aim to become an ESG leader by FY26, making significant progress in our journey and creating measurable impact.

We believe inclusivity drives creativity, loyalty and a sense of belonging within our organisation. By FY26, we aim for 20% of our workforce to be Opportunity Deprived Individuals (ODIs), including those with disabilities and 15% to be women. Through this commitment, we aim to give every individual a chance to live up to their potential and lead a life of purpose. We also actively engage with the communities we operate in, focusing on skilling, which then drives their upliftment and well-being.

Our people-centric approach has led to significant success, as our empowered employees have delivered a noticeable surge in service excellence and guest satisfaction, creating a sense of moving towards a shared purpose.

By CY26, we aim to reduce energy consumption by 15%, fulfil 50% of our energy needs from renewable sources, cut GHG emissions by 40% and reduce water consumption by 10%, all in intensity terms vs. an FY19 baseline. In FY24, 29.27% of our owned portfolio was IGBC Gold certified, achieving significant reductions in energy consumption, emissions and water use. We are committed to adopting innovative measures to reduce our environmental impact. One such initiative is the tracking and monitoring of our Scope 1 and 2 emissions company-wide, reflecting our dedication to sustainability. Aurika, Mumbai Skycity embodies our commitment to sustainability with the implementation of eco-friendly features like a bio-gas plant, a water bottling plant and multiple EV charging stations.

Lemon Tree 2.0: Paving the Path for Growth

As we look towards the future, we are confident that our strategic roadmap 'Lemon Tree 2.0' will make us resilient and guide us towards sustained growth in this dynamic sector. By the end of FY25, we expect our operational inventory to surpass 120 hotels, offering over 11,000 rooms. We are committed to achieving a revenue growth of nearly 15% in the coming years, driven by a strategic mix of Average Room Rate (ARR), occupancy and managed/franchised fee income.

By FY26, we aim for ₹60 Crores in annual EBITDA from the Keys portfolio. We are also committed to debt reduction within four years, ensuring financial stability and enabling reinvestment in growth opportunities. To enhance our guest experience and elevate our standards, we plan to invest ₹100 Crores each in FY25 and FY26 in renovations.

Lemon Tree has undertaken a Digital Transformation exercise in order to create a technology platform that will help transform the performance of all its hotels. This exercise involves designing and deploying analytics and algorithms in a modular technology stack. It would also entail changing business processes and building the desired capabilities for sustained performance and impact.

I want to thank all our employees for their passion, hard work and dedication. Your efforts have shaped us into the resilient and agile organisation we are today. To our stakeholders, your unwavering support has been invaluable and I look forward to continuing this journey together. With your continued support and our collective aspirations, I am confident that we will continue to set new standards in hospitality.

Warm regards,

Patanjali G. Keswani

Chairman and Managing Director
Lemon Tree Hotels Limited

[21] Source: Business Today | Tourism to return to pre-pandemic levels by 2024-25: Govt | 8th February 2024; Economic Times | "Tourism sector to contribute USD 250 billion to GDP by 2030: Centre" | PTI 20th September 2022

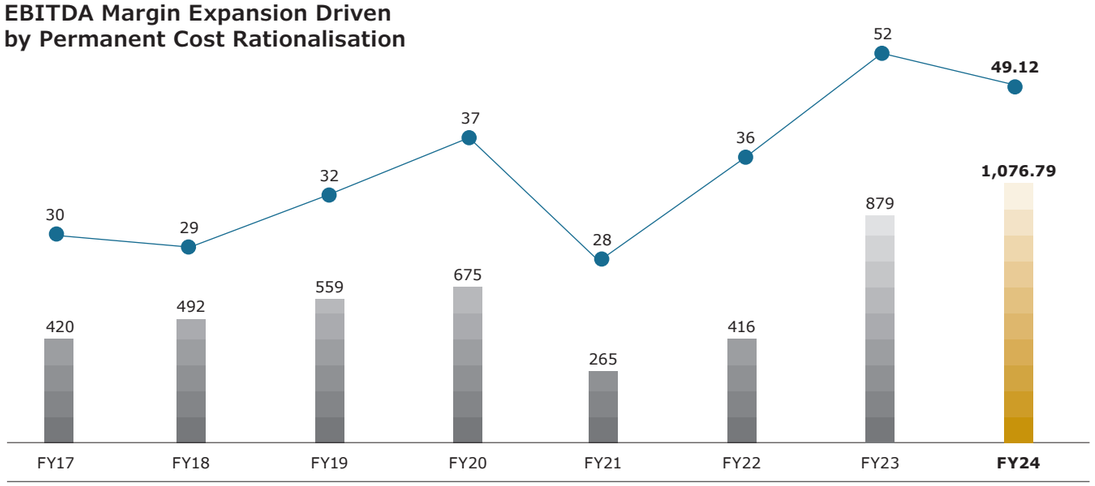
[22] For the 41 owned/leased hotels.

FINANCIAL PERFORMANCE

Building On Our Success

The momentum from the previous year has carried over into FY24, resulting in a remarkable year of growth and profitability, with all key metrics showing significant improvement. Our revenue showed significant growth, EBITDA remained robust and we achieved a notable PAT, showcasing strong profitability. Additionally, we effectively managed our cost of debt.

EBITDA Margin Expansion Driven by Permanent Cost Rationalisation

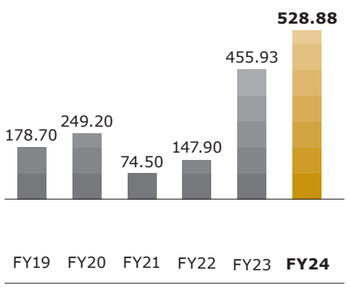


Total Revenue (₹ in Crores) **EBITDA Margins (%)**

Key Financial Metrics

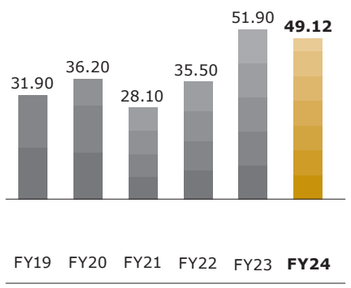
EBITDA

(₹ in Crores)



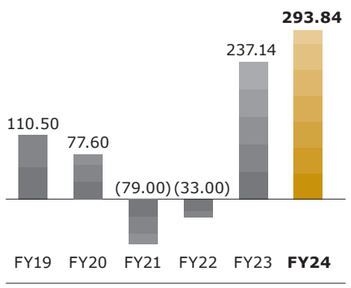
EBITDA Margin

(%)



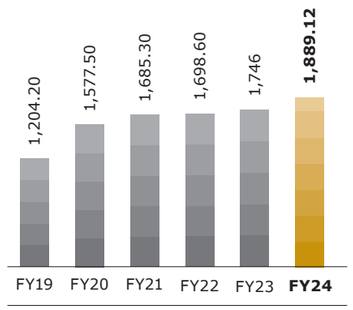
Cash Profit

(₹ in Crores)



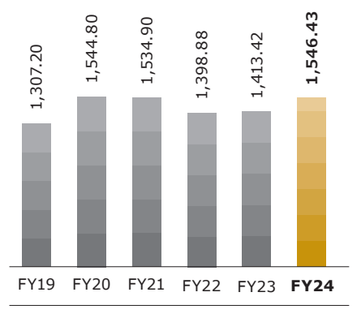
Gross Debt

(₹ in Crores)

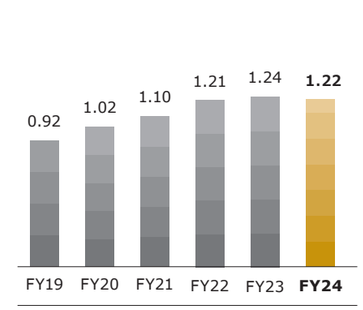


Net Worth

(₹ in Crores)

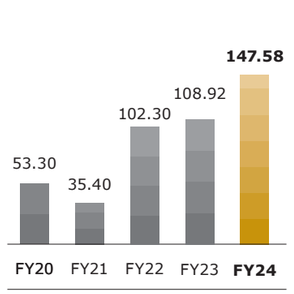


Debt to Equity Ratio



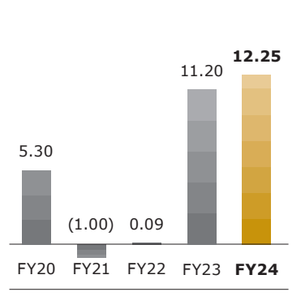
Tax Paid Details

(₹ in Crores)



RoCE

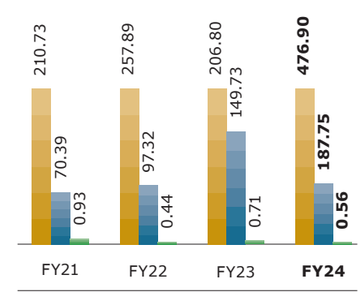
(%)



(RoCE %) = EBITDA/Capital Employed

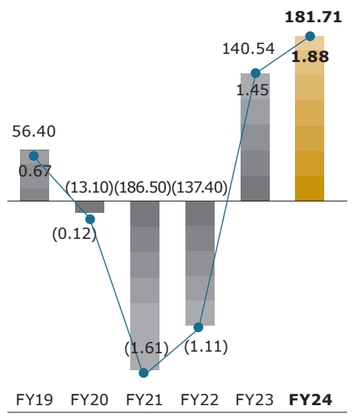
Economic Value Distributed

(₹ in Crores)



● Suppliers[23] ● Employees[24] ● Community[25]

PAT and EPS



Profit after tax (₹ in Crores)

Earnings Per Share (₹)

Total Management Fees in FY24

₹50.1 Cr
40% ▲
Management/Franchise Fees from third-party owned hotels

₹84.2 Cr
25% ▲
Management Fees from Fleur Hotels

Total
₹134.3 Cr
30% ▲

▲ Y-o-Y growth

[23] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report.
[24] For the entire network of owned/leased, managed/franchised hotels.
[25] For Lemon Tree Hotels and its subsidiary companies.

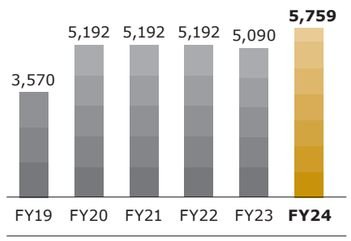
OPERATIONAL PERFORMANCE

Measuring Our Progress

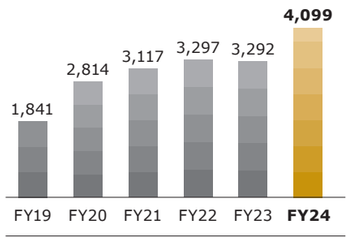
Our operational excellence has facilitated a robust growth trajectory, setting new industry benchmarks. Our network now spans numerous hotels across various destinations, including international locations. Recent highlights include the opening of Aurika, Mumbai Skycity, which stands as the largest hotel in the country by number of rooms.

Key Operational Metrics

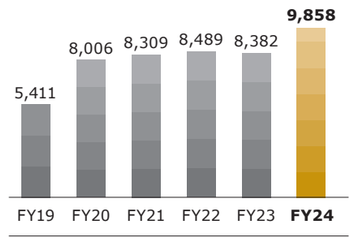
Owned/Leased Rooms



Managed/Franchised Rooms

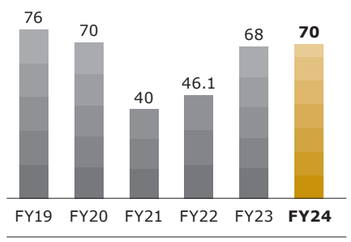


Total Rooms



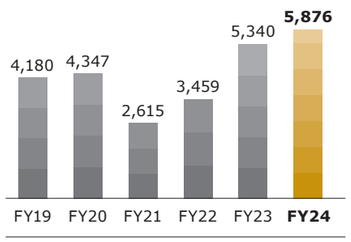
Occupancy Rate – Owned/Leased Hotels

(%)



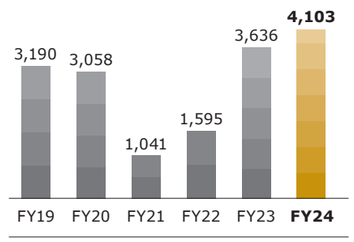
Average Room Rate – Owned/Leased Hotels

(₹)



RevPAR – Owned/Leased Hotels

(₹)



For 22 Managed Hotels

64%

Occupancy Rate in FY24

₹5,703

Average Room Rate in FY24

₹3,650

RevPAR in FY24

Lemon Tree Suites, Whitefield, Bengaluru

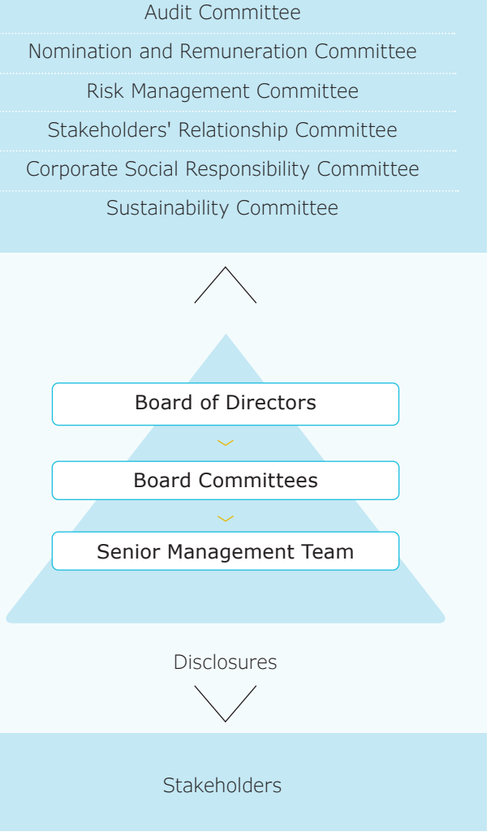
CORPORATE GOVERNANCE

A Culture of Integrity

Our governance strategy is built around stakeholder engagement and sustainable long-term growth. By integrating ESG considerations into our approach, we create a robust framework that supports long-term success. We are dedicated to upholding the highest ethical standards, providing transparent disclosures and embracing a culture of accountability and integrity that guides our daily operations.

Governance Structure

Our governance framework aims to enhance efficient and transparent business practices. We achieve excellence by creating enduring value for all stakeholders, including shareholders, employees, guests, business partners and society at large.



70%
Independent Directors

26
Committee Meetings Held

92%
Average Board Attendance

20%
Women on the Board

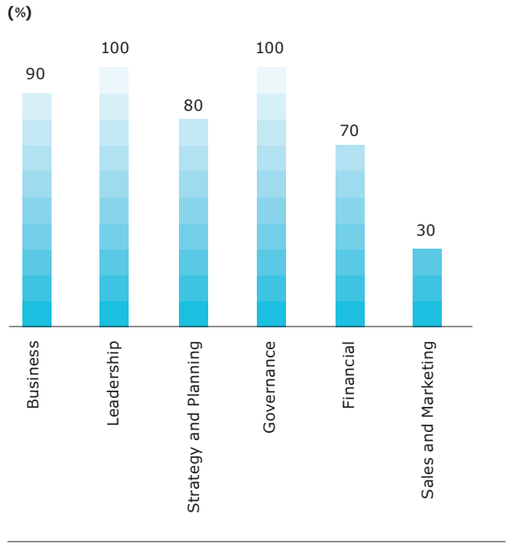
Average Tenure of the Board of Directors

Tenure	Member(s)
Less than 1 year	**3**
1 to 5 years	**1**
5 to 10 years	**5**
10+ years	**1**

Board Evaluation

The Nomination and Remuneration Committee conducts an annual evaluation of the Board of Directors (BoD) individually as well as its committees. The evaluation includes gathering inputs from Directors and assessing their performance w.r.t. strategy, performance management, risk management, governance, compliance, organisational health and talent management. Independent Directors conduct a separate evaluation of Non-Independent Directors, including the Chairman and the Board as a whole entity. The process follows a predefined framework and criteria established by the Board, ensuring a rigorous and objective assessment of all Directors and the overall Board performance.

Board of Directors Skill Matrix



Code of Conduct

Our comprehensive Code of Conduct (CoC) applies to all Board members, leadership, senior management and employees. The principles of fairness, transparency and professionalism throughout our hotel operations are fundamental to us. The CoC ensures that everyone carries out their duties and responsibilities with integrity, setting the highest standards of business and personal ethics. It promotes ethical and transparent processes across the Company, enabling responsible and accountable management that is aligned with our vision and values. For all related-party transactions involving interested Directors or conflicts of interest, we seek approvals from the Audit Committee and the Board Members. For material related-party transactions, we seek approval from members of the Board.

Key Policies

Environment

- LTH Environmental Policy
- LTH Waste Management Corporate Policy
- LTH ESG Policy
- LTH Climate Change Policy

Social

- Corporate Social Responsibility Policy
- LTH Human Rights Policy
- LTH Health and Safety Policy

Governance

- Determination of Materiality of Events and Information Policy (February 2024)
- LTH Environmental Policy (May 2022)
- LTH ESG Policy (October 2021)
- LTH Climate Change Policy (October 2021)
- LTH Human Rights Policy (October 2021)
- LTH Health and Safety Policy (October 2021)
- LTH Supplier Code of Conduct (December 2021)
- LTH Waste Management Corporate Policy (December 2021)
- Policy on Board Diversity
- Succession Plan
- Nomination and Remuneration Policy
- LTH Stakeholder Relations Policy (October 2021)
- LTH Anti-bribery and Anti-corruption Policy (October 2021)
- Determination of Material Subsidiary Policy
- Dividend Distribution Policy
- Preservation of Blank Stationery & documents and Archival Policy
- Preservation of documents and Archival Policy
- Related Party Transaction Policy
- Risk Management Policy
- Rotation of Auditors Policy
- Corporate Social Responsibility Policy

Access our policies on https://investors.lemontreehotels.com/

Compliance

The Board of Directors, Senior Management and the Key Managerial Personnel all ensure complete compliance with applicable laws, regulations, circulars, notifications, etc. The Board regularly reviews all compliances with the leadership team.

There were zero occurrences of fines or non-monetary sanctions on the Company from Stock Exchanges, SEBI, or any statutory authority in relation to capital markets violations. Also, we have had zero proceedings filed against us for anti-competitive acts or anti-trust violations.

CORPORATE GOVERNANCE

Sustainability Training and Awareness

We aim to strengthen our work culture by promoting sustainability through training and awareness. This includes tailored programmes for the Board of Directors (BoDs), Key Managerial Personnel (KMP) and employees, covering areas such as business strategy, digital transformation, risk management, ESG principles and safety protocols. We conduct an ESG test, a multiple-choice exam based on our ESG disclosures, for all managers and supervisors. In FY24, 95% of the 1,443 eligible managers from the 41 owned/leased hotels and 22 managed hotels covered in the scope of this report participated in the test. This included 858 managers from the owned/leased hotels and 519 managers from the managed hotels. The overall passing rate was 98%, with managers from the owned/leased hotels achieving a 99% pass rate and those from the managed hotels achieving 96%.

Segment	Total number of training and awareness programmes held	Percentage of persons in respective category covered by the programmes
BoD	5	97%
KMP	5	100%
Employees other than BoD and KMP	1,201 at 41 owned/leased hotels 994 at 22 managed hotels	Induction: 100% (41 owned/leased, 22 managed hotels) ESG: 33% (41 owned/leased hotels) 60% (22 managed hotels) Operations 101: 45% (41 owned/leased hotels) 79% (22 managed hotels) Sensitisation: 34.42% (41 owned/leased hotels)

Grievance Mechanism

We have a robust vigilance mechanism in place, overseen by the Chairperson of the Audit Committee. In some appropriate and exceptional cases, the Chairman directly addresses grievances reported by employees and Directors who have relied on this mechanism to raise genuine concerns.

We encourage our employees to express their grievances through various channels, thereby creating a culture of support and inclusivity. We actively address issues raised by all shareholders, including complaints regarding the non-receipt of allotments or refunds, share transfers, issuance of share certificates, financial statements and those related to annual reports. Additionally, we uphold employee rights to associate with recognised trade unions and provide fair benefits according to collective bargaining agreements to both union and non-union members.

Employees Part of Unions and Associations

Total Permanent Employees

3,626 Owned/Leased hotels

1,646 Managed/Franchised hotels

2%
Male[26]

2%
Female[26]

[26] For the 41 owned/leased hotels.

Data Security Governance

We prioritise data security governance through a robust governance framework that includes well-defined cybersecurity measures to safeguard the personal information of our stakeholders. We stay ahead of the curve by regularly reviewing and updating our security protocols to align with the latest technological advancements and regulatory requirements. This helps ensure that our secure database is guarded against data loss, misuse, wrongful disclosure, alteration and destruction.

We provide clear information about the personal data collected by LTH, the purpose of collection and how it is used, processed, shared and transferred as part of our Data Privacy Policy. We ensure that personal data is retained only for the necessary duration, in alignment with legal, regulatory, contractual or statutory obligations. Once the required period elapses, the data is either deleted or archived in compliance with applicable obligations.

MEMBERSHIPS AND ASSOCIATIONS

- Association of Domestic Tour Operators of India (ADTOI)
- Confederation of Indian Industry (CII)
- Federation of Hotel and Restaurant Associations of India (FHRAI)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Hotel Association of India (HAI)
- Hotel and Restaurant Association of Northern India (HRANI)
- Hotel and Restaurant Association of Western India (HRAWI)
- Indian Association of Tour Operators (IATO)
- PHD Chamber of Commerce and Industry (PHDCCI)
- South India Hotels and Restaurants Association (SIHRA)

RISK MANAGEMENT

Enabling Business Agility

Balancing risk and return during the value creation process is a crucial aspect of our strategy. We have designed our governance strategy to manage risk exposures effectively, while aligning them with our business goals. We incorporate risk management practices in our short-term, medium-term and long-term plans to build resilience and promote strategic growth.

Risk Management Framework

Identify	Assess	Prioritise	Mitigate/ Remove/ Transfer/Accept	Monitor/Review
(By risk category along with the opportunity. Most significantly, 'The Risks that Matter')	(Measuring within established tolerance limits)	(Considering factors such as impact and likelihood, etc.)		(Continuous or intermittent)

Risk Governance and Oversight

The Board of Directors at LTH ensures the effectiveness of Enterprise Risk Management (ERM) and Internal Controls (IC). Supported by the Audit Committee (AC), Risk Management Committee and the management team, they maintain a robust framework for overseeing risks, aimed at protecting our Company and promoting sustainable growth.

Apex Level

Foster a risk culture Maintain oversight over ERM	**Board of Directors**	Annual review of key risks/ mitigation plans

Risk Management Committee of the Board

Formulate and review risk management policy Determine risk appetite	Chairperson: Independent Director Member 1: Chairperson, Audit Committee Member 2: CEO Member 3: President Member 4: CFO Members 5 & 6: Independent Directors	Review ERM quarterly Delegate oversight to subcommittees where required

Executive Risk Management Committee

Implement risk management strategy Decide risk rating methodology	Chairperson: CEO Member 1: CFO Member 2: President Upto 3 members: CXOs	Present risk mitigation scores Identify new risks Monitor/audit

Note: This structure is as on 31st January 2024.

Key Risks

Preventable Risks

Culture/Reputation

- Non-adherence to vision, mission and core values
- Unacceptable behaviour
- Ethical violations
- Not meeting stakeholder expectations
- Poor health and safety standards
- Promoting/accepting discrimination of any kind

People

- Poor quality of leadership
- Disengagement of employees
- Low compensation
- High attrition
- Shortage in staffing/absenteeism
- Lack of technical skills
- Low level of learning and development
- Poor/absent performance management and incentivisation

Product/Service Quality

- Non adherence to Standard Operating Procedures/ Service Level Agreements
- Low efficiency/effectiveness
- Frequent process changes
- Poor maintenance/repairs

Vendors

- Not meeting contractual obligations
- Uncompetitive pricing
- Non-adherence to quality standards
- Poor delivery
- Misalignment
- Bribing/incentivising the customer

Market

- Inadequate understanding of customer needs
- Unsustainable products/services
- Uncompetitive pricing (too high or too low)
- Delay in fulfilment/response
- Poor customer communication
- Poor/incorrect forecasting

Environment

- High carbon emissions
- Usage of environmentally unfriendly products/ services like plastic
- Absence of recycling, reusing, upcycling waste/ by products
- Inefficient use of natural resources

Management Quality

- Poor/Slow decision making
- Poor leadership
- Overly complex processes
- Absence of succession planning

RISK MANAGEMENT

Preventable Risks

Technology

- Outdated and obsolescent tech infrastructure
- Lack of cyber security
- Non-digitalised operational practices
- Loss of data
- Breach of data

Financial

- High interest rates
- High debt/low debt service coverage
- Low liquidity/low solvency buffers
- Negative/Poor cash flows
- Poor collections/high working capital
- Low EBITDA/ROCE/ROI
- Poor payment process to vendors, i.e. extended outstanding (will impact competitive pricing eventually)

Internal Controls

- Inadequate controls
- Poor quality of reviews
- Non-comprehensive internal audits
- Poor follow up/lack of monitoring

Health and Safety

- Inappropriate fire safety and response mechanism
- Electrical hazards
- Equipment failure
- Accident prone areas/behaviour
- Blocked emergency evacuation pathways
- Unhygienic washing and eating facilities
- Inadequate ventilation
- Unavailability of first aid
- Inadequate maintenance of equipment/buildings, especially during a temporary shutdown

Strategy Risks

Sustainability

- Non-adherence to defined ESG standards
- Loose monitoring of KPIs related to sustainable practices

Capital/Resources Allocation

- Ineffective allocation of capital
- Lack of expertise to evaluate capital allocation opportunities

Business Model Disruptions

- Emergence of disrupters rendering business model obsolescent/ineffective

3rd Party Dependence

- Disintermediation by a third-party
- Too high a dependence on a vendor or a customer
- Vulnerability to outside ecosystem shock

External Risks

Natural/Manmade Disaster

- War/Trade war
- Terror attack
- Earthquake
- Epidemic/Pandemic
- Flood and extreme weather
- Lightning events
- Labour unrest/strikes
- Fire
- Theft
- Civil unrest/riots
- Injury or death of guest(s)/employee(s)

Regulatory

- Unreasonable/unanticipated change in government regulations
- Moral policing (of guests)

Technology

- Disintermediation by a 3rd party
- Cyber attack
- Loss of data/privacy

Economic

- Excess supply of hotel rooms in the market
- Loss of revenue
- High inflation
- Increase in interest rates
- Reduction in liquidity
- Reduction in demand
- Negative shift in consumer preferences
- Negative shift in locational preference
- Negative shift in market catchment
- Irrational competition
- Disruptive competition

Environmental

- Change in standards/regulations
- Gradual but permanent shift in local weather, making a destination unattractive

Lemon Tree Amarante Beach Resort, Goa

BOARD OF DIRECTORS

Guiding Us towards Excellence

We have implemented a robust control system as we prioritise effective corporate governance. The leadership team values business integrity and fosters an inclusive environment where everyone can thrive. This enables us to create sustainable value for all our stakeholders.

1. Mr. Patanjali Govind Keswani

Chairman and Managing Director

C C C M M M M

- Bachelor's Degree in Electrical Engineering from Indian Institute of Technology, New Delhi
- Post Graduate Diploma in Management from Indian Institute of Management, Calcutta
- 17 years at the Taj Group of Hotels, including roles such as Chief Operating Officer for Business Hotels
- Director at A.T. Kearney Limited in New Delhi
- Founded Lemon Tree Hotels in September 2002

2. Mr. Niten Malhan[27]

Vice Chairman and Lead Independent Director

C C M

- Bachelor's Degree in Computer Science and Engineering from Indian Institute of Technology, New Delhi; Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad
- Founder and Managing Partner of New Mark Advisors LLP, an investment management firm. Previously served as Managing Director and Co-head of India at Warburg Pincus India Private Limited, a global private-equity firm and held roles at Stratum 8, a Silicon Valley technology startup
- Co-founded Plaksha University and served as Vice Chairman of the Indian Private Equity and Venture Capital Association

3. Mr. Aditya Madhav Keswani[28]

Non-Executive Director

M M M

- Bachelor's Degree in Arts from New York University.
- Non-Executive Director on Lemon Tree's Board since June 2015

Committee Details

- Nomination and Remuneration Committee
- Finance Committee
- Share Allotment Committee
- Audit Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- General Management Committee
- Risk Management Committee
- Sustainability Committee

C Chairperson
M Member

[27] Chairman of the Audit Committee and Nomination and Remuneration Committee until 29th May 2024.
[28] Inducted as Member, Risk Management Committee by the Board on 29th May 2024.

4. Mr. Willem Albertus Hazeleger[29/30]

Non-Executive Director

C M M

- Executive MBA from INSEAD, France
- Executive MBA from Tsinghua University School of Economics and Management, People's Republic of China
- LLM from Utrecht University in the Netherlands
- Previously, Chief Executive Officer for Asia Pacific of APG Asset Management, one of the largest institutional investors globally
- Senior securities and capital markets lawyer with global law firms Linklaters and Allen and Overy
- Experience in the field of Investment Management

5. Ms. Freyan Jamshed Desai[31]

Independent Director

C M M M M

- Bachelor's Degree in Law from University of Delhi
- Master's Degree in Law from King's College, London
- Previously, General Counsel of the Novartis Group of Companies in India
- Previously Partner, Amarchand and Mangaldas and Suresh A. Shroff & Co.
- 30 years of experience across various legal fields.

6. Dr. Arindam Bhattacharya[32]

Independent Director

M M M

- Alumnus of Indian Institute of Technology, Kharagpur, Indian Institute of Management
- Ahmedabad and Warwick Manufacturing Group, University of Warwick, UK, where he completed his Doctorate of Engineering
- He has served as the Senior Partner and Director of Boston Consulting Group (BCG), India and the co-leader of Bruce Henderson Institute, BCG's thought leadership institution.
- He has over 30 years of experience in the industry and consulting with a focus on the industrial sector

7. Ms. Smita Anand[33]

Independent Director

C

- Bachelor's Degree in Psychology/Economics from University of Lucknow
- M.B.A. in Human Resources from University of Allahabad
- Previously, MD, Leadership and Talent Consulting India and Head, Board/CEO Succession, Asia for Korn Ferry
- Previously, Regional Leader - Asia Pacific, AON-Hewitt and CEO India/Middle East, Greater China Markets, AON-Hewitt
- Over 30 years of experience and is active as an Independent Leadership Advisor and Executive Coach

8. Mr. Paramartha Saikia

Independent Director

C C M M M M

- Bachelor's Degree in Economics from University of Delhi
- Master's Degree in Arts (Economics) from University of Delhi
- Previously, Chief Executive Officer (CEO) of J. Walter Thompson Sdn. Bhd., Malaysia
- Previously, CEO of Iris Worldwide Integrated Marketing Private Limited
- Previously, CEO of Publicis India
- 30 years of experience across the fields of marketing and brand development

9. Praveen Garg[34]

Independent Director

C M

- B.Com. (Hons.) Delhi University; Chartered Accountant from the Institute of Chartered Accountants of India
- Advisor, Mobius Foundation; Senior Advisor-ESG and Climate Change National Productivity Council (NPC)
- Previously, Chairman and Managing Director, Security Printing and Minting Corporation (SPMCIL)
- Previously, Secretary (Finance); Commissioner (Institutional Finance); MD, MP State Industrial Development Corporation; MD, MP Trade and Investment Facilitation Corporation; Revenue Commissioner (Bhopal Division), all with Government of Madhya Pradesh (MP)
- Over 33 years of experience with the Government of India, the Government of Madhya Pradesh and in the Indian Administrative Service (IAS)

10. Sanjiv Nandan Sahai[35]

Independent Director

M M

- Bachelor's Degree in History from University of Delhi. Master's in Public Policy from Princeton University and Robert McNamara Fellow at Princeton University
- Joined the Tata Administrative Service (TAS) and later the Indian Administrative Service (IAS)
- Director, Prime Ministers Museum and Library; Director, General of Power Foundation
- Previously, Chairman and MD, Delhi Transport Corporation; OSD, Delhi Metro; Secretary-cum-Commissioner Transport, Delhi Government
- Previously, MD and CEO, Delhi Integrated Multi-Modal Transit System Limited (DIMTS)
- Previously, Finance Secretary, Government of NCT of Delhi; Home Secretary, Delhi and CMD of Delhi Financial Corporation
- Previously, Secretary, Ministry of Power, Government of India

[29] Inducted as Member, Nomination and Remuneration Committee by the Board on 29th May 2024.
[30] Designated as Chairman, Risk Management Committee by the Board on 29th May 2024.
[31] Chairperson, Risk Management Committee until 29th May 2024.
[32] Board and Committee Member until 10th April 2024.
[33] Inducted on the Board on 9th November 2023; Designated as Chairperson, Nomination and Remuneration Committee by the Board on 29th May 2024.
[34] Inducted on the Board on 9th November 2023; Designated Chairman, Audit Committee by the Board on 29th May 2024.
[35] Inducted on the Board on 9th November 2023; Inducted as Member, Nomination and Remuneration Committee by the Board on 29th May 2024.

SENIOR MANAGEMENT TEAM

Charting a New Course

1. Mr. Kapil Sharma

Executive Vice President and Chief Financial Officer

M

- Bachelor's Degree in Commerce from University of Delhi
- Qualified Chartered Accountant
- Over 26 years of experience across the fields of accounting, financing and investing

2. Mr. Davander Singh Tomar

Executive Vice President – Corporate Affairs

- Bachelor's Degree in Commerce and Law from the University of Delhi
- Master's Degree in Arts from the University of Delhi
- Over 38 years of experience in the hospitality industry

3. Mr. Jagdish Kumar Chawla

Executive Vice President – Projects and Engineering Services

M

- Diploma Degree in Electrical Engineering from Pusa Polytechnic, Pusa, New Delhi
- Over 48 years of experience across engineering, construction and operations

4. Ms. Aradhana Lal

Senior Vice President – Sustainability and ESG

M

- B. Com (Hons) from Lady Shri Ram College, Delhi University
- Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad
- TEDx speaker
- Over 31 years of experience in Sales, Marketing, Corporate Communications and Sustainability/ESG across the hospitality and FMCG sectors

5. Mr. Vilas Pawar

Chief Executive Officer – Managed and Franchise Business

- Hotel Management Graduate of IHM, Mumbai
- Over 36 years of experience in the hospitality industry

6. Mr. Sumant Jaidka

Senior Vice President – Operations

- Graduate of the Salzburg School of Hotel Management, Austria
- Over 31 years of experience in the hospitality industry

7. Ms. Harleen Mehta

Senior Vice President – Sales

- Degree in Hotel Management from IHM, Gwalior
- MBA from Symbiosis Institute of Management Studies, Pune
- Over 21 years of experience in the hospitality industry across reservations, front office operations, revenue management, sales and distribution

8. Ms. Ritu Ranjan

Senior Vice President and Chief Design Officer

- Graduated from Lady Shri Ram College, New Delhi
- Over 11 years of experience

9. Ms. Sareena Kochar

Senior Vice President – Housekeeping

- Post Graduate Degree in Hotel Management from All India Institute of Management Studies, Chennai
- Certified 'Mentor' from XLRI Jamshedpur
- Over 38 years of experience in the hospitality industry

10. Mr. Rajesh Kumar

Senior Vice President – Human Resources

- Post Graduate Degrees in Personnel Management and Industrial Relations, as well as Public Administration from Himachal Pradesh University
- Over 23 years of experience in the hospitality industry

11. Chef Rajeev Janveja

Senior Vice President and Corporate Chef

- Graduated from IHM Lucknow
- Over 41 years of experience in the hospitality industry

12. Ms. Jyoti Verma

Group Company Secretary and Compliance Officer

- Fellow member of The Institute of Company Secretaries of India, New Delhi
- LL.B from Bikaner University
- M.Com from H.P. University, Shimla
- Over 19 years of experience in Corporate Compliance Management and Corporate Governance Practices

Committee Details

- Nomination and Remuneration Committee
- Finance Committee
- Share Allotment Committee
- Audit Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- General Management Committee
- Risk Management Committee
- Sustainability Committee

C Chairperson
M Member

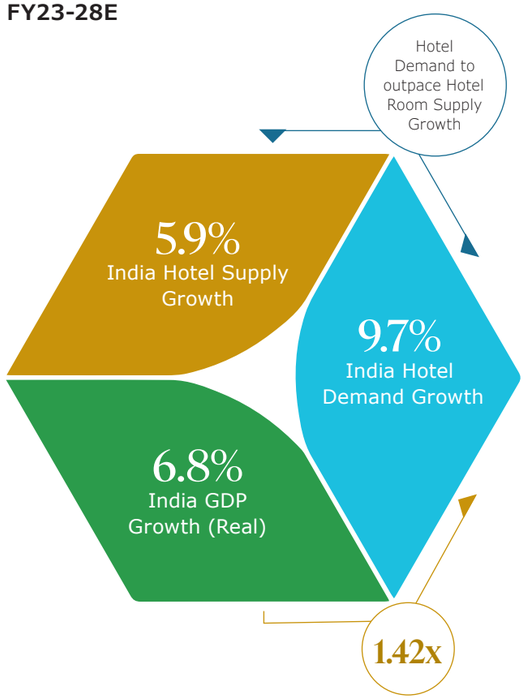
OPERATING ENVIRONMENT

Exploring New Frontiers

Within the new Indian context of rapid economic growth, increasing disposable incomes and friendly government initiatives, the hospitality industry experienced significant growth in FY24. Increased domestic and international travel, along with higher demand for leisure travel and weddings/corporate events, strengthened the sector this year.

Demand-Supply Outlook for the Indian Hospitality Landscape till FY28[36]

FY23-28E



Aurika, Udaipur

HOSPITALITY SECTOR: KEY INSIGHTS 2023[37]

63-65%
Occupancy
3-5 pp ▲ Y-o-Y growth

₹7,400-₹7,600
ARR
21-23% ▲ Y-o-Y growth

₹4,662-₹4,940
RevPAR
29-31% ▲ Y-o-Y growth

[36] Source: Hotelivate – Trends and Opportunity Report 2023 for India.
[37] Source: India Hospitality Industry Overview 2023, HVS Anarock.

Key Trends

Rise of Budget and Mid-Segment Hotels

69%
Occupancy in the Economy and Budget segment

5%
of India's total branded hotel supply serves the market

India's economy and budget hotel segment offers vast growth opportunities for expansion and transition from the unorganised to organised sector

Our Response

Pioneering the shift from unorganised to organised supply, we aim to correct the imbalance in the branded hotel market. This will lead to the consolidation of ~2.8 million[38] unbranded rooms into the branded space.

Inbound Tourism Witnesses Robust Growth and Preference for Sustainable Brands

26%
Increase (Y-o-Y) in total air traffic 2023

69%
of travellers seeking brands which offer more sustainable ways to travel in 2023

Inbound tourism is recovering strongly, nearing pre-pandemic levels, with India poised to capitalise on Asia Pacific's economic growth, balancing the increase in outbound travel. The preference for sustainable brands is ever-growing.

Our Response

Committed to implementing eco-friendly practices and enhancing our sustainability efforts

Prioritisation of Infrastructure Growth

15
New airport projects inaugurated in 2024

Highlighting connectivity and infrastructure, multiple infrastructure development projects gaining momentum

Our Response

Expansion across strategic, well-connected locations

Tech Innovations Reshaping Hospitality Experiences

Digitalisation
Enhancing growth through customer experience and operational efficiency

Technology integration in hospitality revolutionising guest experiences and operational efficiency through AI-driven personalisation and automated systems

Our Response

We have uploaded 360-degree virtual tours for our key hotels, to enable our teams to conduct digital show-arounds for guests.

We have undertaken a Digital Transformation exercise to create a technology platform that will enhance the performance of all our hotels. This initiative involves designing and deploying analytics and algorithms in a modular technology stack. It also entails changing business processes and building the desired capabilities for sustained performance and impact.

Rising MICE and Bleisure Travel

#2
India ranking amongst 'Bleisure' travellers across 31 countries

$55.2 billion
Expected Indian business travel market size in 2027

The rise of bleisure and MICE travel is reshaping the hospitality industry, blending business and leisure experiences and boosting demand for advanced convention centres and creative, multifaceted travel offerings

Our Response

Our business hotels also cater to leisure and bleisure travellers, offering personalised experiences and recreational facilities

[38] Source: Ministry of Tourism, Govt. of India

VALUE CREATION MODEL

A Purpose-driven Strategy

Inputs

F Financial Capital

₹1,546.43 Cr
Equity

₹1,889.12 Cr
Total Debt

M Manufactured Capital

104
No. of Hotels[39]

42
Total Gross Asset Base, including One Under Construction[40]

H Human Capital

5,272
Employees[41]

13.36
Training Man Hours per Employee[41]

8,691
Employees Trained[41/42]

S Social and Relationship Capital

20,366
No. of Suppliers[41]

₹55.69 Lakhs
CSR Expenditure[43]

I Intellectual Capital

167
Trademarks Registered

N Natural Capital

Energy Consumption

264,151.44 GJ
Total Energy[41]

1,070,545.98KL
Water Consumption[41]

Emission

0.1197 TCO_2e/sq. m
GHG Emission Intensity[41]

ESG Vision 2026

Pg:52

Risk Management

Pg:28

Business

- Development of Hotels
- Operation of Hotels
- Ownership of Hotels
- Sales and Marketing of Hotels

Strategic Objectives

- Superior Financial Performance
- Mid-Market Hotel Leader
- Strong Balance Sheet
- Leader in Digital
- Leader in ESG

Pg:40

Outputs

Financial Capital

- Increased shareholder value
- Achieved profitable and steady growth

Manufactured Capital

- Delivered a high-quality product, sustainable services and memorable experiences
- Created significant value for customers
- An expanded base of loyal customers

Human Capital

- Highly dedicated workforce
- Enhanced retention rates
- Recognised as a Great Place to Work

Social and Relationship Capital

- Enhanced connections with customers, business partners and the community

Intellectual Capital

- Enhanced brand value
- Strategic shift towards digital transformation

Natural Capital

- Improved environmental metrics

Outcomes

Financial Capital

Total Revenue
₹1,076.8 Cr

PAT
₹181.7 Cr

RoCE
12.25%

EBITDA
₹528.9 Cr

EPS
1.88

Manufactured Capital

Superior customer service

Total Number of Stays[44]
1,505,790

Loyalty Programme Members
1,762,548

Human Capital

Turnover Rate
57%

Diversity: Opportunity Deprived Individuals (ODIs)[44] 18%

Women[44] 12%

Employee Satisfaction Score: 41 owned/leased hotels
ESTS 93% GPTW 90%

22 Managed Hotels
ESTS 95% GPTW 88%

Social and Relationship Capital

Retail Net Promoter Score[44]
84%

Intellectual Capital

Bookings through Digital Channels[44]
1,862

Rooms Per Day (RPD) through the Brand Website and Online Travel Agents

Natural Capital

Share of Renewable Energy[44]
12.58%

Reduction in Energy Intensity over the FY19 baseline[45]
6.93%

Retired IT Assets Reused and Recycled[44]
866 KGS

Reduction in GHG Emissions Intensity over the FY19 baseline[45]
8.97%

Reduction in Water Intensity over the FY19 baseline[45]
22.32%

[39] For the entire network of owned/leased, managed/franchised hotels
[40] For the entire network of owned/leased hotels. This includes our pipeline, which is subject to change over time
[41] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report
[42] Employees attending more than 1 training module are counted accordingly i.e. multiple times
[43] For Lemon Tree Hotels and its subsidiary companies
[44] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report
[45] For the 41 owned/leased hotels

OUR STRATEGY: LEMON TREE 2.0

Into a Bold New Era

In FY23, we unveiled our ambitious strategic roadmap for the next five years - Lemon Tree 2.0. This initiative identifies clear and achievable outcomes with an aim to expand our brands and offer high levels of personalisation. The roadmap for CY24 to CY28 outlines a clear objective: to grow our portfolio to 300+ hotels and 20,000+ rooms, with approximately 70% of this consisting of asset-light structures, totalling 14,000+ managed/franchised rooms.

Lemon Tree 2.0: Strategic Roadmap for CY24 to CY28

Lemon Tree 2.0

Superior Financial Performance	Mid-Market Hotel Flagbearer	Strong Balance Sheet	Leader in Digital	Leader in ESG

Strategic Levers (How We Will Make This Happen)

Asset-light growth and network effect	Digital transformation	Retail acceleration	Loyalty expansion
Cost structure	Capital recycling	Simplifying group structure	

Market Enablers (Tailwinds)

Consumption at tipping point	Demand outpacing supply	Growing aspirations, affluence, willingness to spend	Large underserved fragmented mid-market hotel segment

Company Enablers (Internal Competencies)

Digitalisation/ technology	Risk management	ESG

Strategic Assets (Moats)

Brand	Owned network	Culture	Operating across value chain

Our Objectives

Superior Financial Performance	Mid-Market Hotel Leader	Strong Balance Sheet	Leader In Digital	Leader in ESG
Stable 50% EBITDA	20k+ hotel rooms network	Debt-free	Bionic revenue management	100% Green certified buildings[46]
	70% asset light portfolio		Next gen sales	Ecologically sustainable operations
20% RoCE	Dominate supply in urban centres	Significant FCF	Automated processes	Diversity and inclusion
			Data-driven decisions	High quality governance and Board oversight
			Scalable tech stack	

Lemon Tree 2.0 Targets

	Target for CY28/FY29	Progress in FY24	Status
Net EBITDA % Gross Debt (₹ Cr)	Stable at 50% Debt Free	49.1% ₹1,889 Cr	✓
Managed/Franchised Rooms (Operational + Pipeline)	14,000+	Operational 4,099 Rooms Pipeline 4,087 Rooms Total 8,186 Rooms	✓
Total Inventory (Operational + Pipeline)	20,000+	Operational 9,858 Rooms Pipeline 4,156 Rooms Under Development 69 Rooms Total 14,014 Rooms	✓
Managed/Franchised Rooms % of Total Inventory	70%	Operational 42% Operational + Pipeline 58%	✓
Retail Demand Share[47]	65%	37%[48]	✓

[46] For the entire network of owned/leased hotels
[47] Figures include Aurika, Mumbai Skycity which opened in Q3 FY24 and needs time to stabilise
[48] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

✓ On Track

OUR STRATEGY: LEMON TREE 2.0

Strategic Levers

Lemon Tree Amarante Beach Resort, Goa

Asset Light Growth and Network Effect

- Rapid expansion at a negligible cost with a network of managed/franchised properties across India.
- Expansion into new cities increases brand awareness and drives business across all locations through enhanced brand visibility and recall.

Digital Transformation

We are undertaking a digital transformation exercise to create a technology platform that will enhance our performance. We are designing and deploying analytics and algorithms within a modular technology stack.

Retail Acceleration

Achieving a 65% retail share target by FY29 with dynamic pricing, increased referrals and better market traction to build a stronger MOAT.

Loyalty Programme Expansion

Improving customer experience through personalised services, ensuring traffic assurance and managing churn with rewards programmes.

Capital Recycling

Monetising owned/leased hotels to unlock cash and improve returns, with high ROCE and cash flow from stabilised assets.

Cost Structure

- Real-time cost control and efficient operations to achieve industry-leading EBITDA.
- Maintaining best-in-class cost structure and manning ratio.

Progress in FY24

Our portfolio has become 42% asset-light, including both managed and franchised hotels.

- Bionic Revenue Management: an automated pricing tool has been developed and deployed across most owned hotels. The tool has an in-built retail optimisation module, (competition) pricing scenario builder and a bionic (human) interaction layer
- Next Generation Sales: a data and analytics driven solution that enables a scientific approach to customer engagement and account management
- Technology Stack: we have created a data warehouse from which hotel-level MIS and dashboards are generated daily, for the leadership team to drive improvements and action

In FY24, we sold 1,862 rooms per day through digital channels. This translates to 37% for the 41 owned/leased hotels and 22 managed hotels covered in the scope of this report.

As of 31st March 2024, we have 1,762,548 loyalty program members (Infinity Rewards).

Our Return on Capital Employed (ROCE) for FY24 stands at 12.25%.

Our FY24 EBITDA margin stands at 49.12%. The hotel-level EBITDA has grown by 15.44% compared to FY23, reaching ₹533.33 Crores.

STAKEHOLDER ENGAGEMENT

Enabling Effective Decision-Making

Our commitment to stakeholder engagement is built on a foundation of transparency and trust. Through effective communication, we stay attuned to their concerns and expectations, allowing us to build strong, meaningful relationships that drive our goals and strategic decisions.

Employees

Why We Engage

The strength of the LTH brand is defined by our employees, who deliver guest experiences that consistently exceed expectations.

How We Engage

- Town hall meetings
- Team-building exercises
- Fresh-eyes discussion
- Weekly engagement chats

Frequency of Engagement

- Weekly
- Monthly
- Quarterly
- Annually

KPIs

- 13.36 training man hours per employee[49]
- 17.70% ODI employees out of total no. of employees[49]

Customers

Why We Engage

Our customers are our primary stakeholders. The trust and relationships we establish with our customers directly influence our revenues. We continually refine our brand offerings based on their ongoing feedback.

How We Engage

- Direct feedback from our customers: via Guest Satisfaction Tracking System (GSTS) and at hi@lemontreehotels.com
- Digital engagement through Online Relationship Management (ORM) across platforms like Tripadvisor, Makemytrip.com, Booking.com, etc.
- Regular communication via e-mailers and newsletters

Frequency of Engagement

- Daily
- Need-based

KPIs

- Enhancement of the data privacy policy
- 84% retail NPS (Net Promoter Score)[49]
- 429,394 positive feedback in customer satisfaction surveys[49]

Regulatory Bodies/Government

Why We Engage

We actively engage with regulatory bodies and central/state/local governments to seek their support. Our objective is to ensure compliance with relevant laws and regulations.

How We Engage

- Individual meetings
- Government websites and email correspondence
- Corporate announcements, stock exchange filings and disclosures, intimations, form submissions, intimation of material updates, annual reports, etc.

Frequency of Engagement

- Quarterly
- Event-based/Need-based

KPIs

- **Zero** incidents of non-compliance

[49] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

Investors and Shareholders

Why We Engage

This group of stakeholders provide the capital that lays the groundwork for our business growth, showing a deep commitment to our success and sustainability approach. We are motivated to continually enhance our business and meet or exceed their expectations.

How We Engage

- Quarterly presentations
- Annual General Meeting
- Feedback on yearly disclosures
- Investors Meet/conference call
- Event-based communication
- Email/Notices/Newspaper

Frequency of Engagement

- Quarterly/Annually
- Event-based
- Request based

KPIs

- 23% revenue growth
- Total shareholder return of 12.28% (return on equity ratio)

Owners and Partners

Why We Engage

Our brand standards are upheld by the owners and partners of hotels managed and franchised by LTH. The asset-light growth model, crucial to our business success, facilitates rapid geographic expansion.

How We Engage

- Regular interaction
- Two-way meetings

Frequency of Engagement

- Monthly/quarterly/annually
- Need-based

KPIs

Portfolio growth:

17 new hotels were opened

Suppliers and Vendors

Why We Engage

Regular engagement with our suppliers and vendors is crucial for our business to ensure that the products and services they provide meet our brand standards.

How We Engage

- Informal discussions
- Regular reviews
- Yearly supplier audits

Frequency of Engagement

- Need-based
- Annually

KPIs

19,924 total local suppliers[50]

Contractors

Why We Engage

To improve the scope of high-quality services we offer to our customers, we rely on an outsourced workforce. Therefore, engaging with our contractors who ensure the availability of trained staff is crucial.

How We Engage

- Casual conversations
- Individual sessions
- Regular evaluations

Frequency of Engagement

- Annually
- Need-based

KPIs

- Zero cases of sexual harassment
- Zero cases of discrimination

[50] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

STAKEHOLDER ENGAGEMENT

Online Travel Agents/Portals

Why We Engage
Insights into consumer behaviour and decision-making criteria are provided by online travel agencies, supporting us in customer acquisition. Reviewing customer feedback on their platforms is a critical aspect of our operations.

How We Engage
- Accessing feedback from travellers/guests online
- Holding individual meetings with OTAs' management teams

Frequency of Engagement
- Daily
- Need-based

KPIs
72 out of 84 eligible hotels won the Tripadvisor Travellers' Choice Award[51]

NGOs

Why We Engage
Our commitment to being an equal-opportunity employer is supported by NGOs. They assist us in selecting and training candidates with disabilities and those from economically or socially marginalised backgrounds, both of which are part of our ODIs. Moving forward, they will play a pivotal role in guiding and implementing our CSR initiatives.

How We Engage
- Tailored engagement activities
- Presentations
- Reports

Frequency of Engagement
- Need-based
- Annually

KPIs
Provided training and skills development to 70 employees (cumulatively for FY22, FY23, FY24) with intellectual or developmental disabilities, including autism, in the post-pandemic environment. Of these employees, 20 were trained and 13 were hired in FY24, while the internship of 3 employees continues into FY25

Local Communities

Why We Engage
We collaborate with local communities to understand their needs, enabling us to deliver more impactful social welfare programmes.

How We Engage
- Collaboration with NGO partners

Frequency of Engagement
- Quarterly
- Annually

KPIs
₹55.69 Lakhs spent on CSR[52]

Industry Associations

Why We Engage
We provide a platform through industry associations to understand business trends and opportunities, collaborate with our peers in the travel and tourism industry and contribute insights to relevant government bodies for policy formulation.

How We Engage
- Multilateral meetings

Frequency of Engagement
- Need-based
- Annually

KPIs
N. A

[51] For the entire network of owned/leased, managed/franchised hotels
[52] For Lemon Tree Hotels and its subsidiary companies

Media

Why We Engage
Our media relationships are leveraged for brand building, engagement with marginalised communities across various initiatives and raising awareness of hotel launches, special promotions and offers.

How We Engage
- Press releases
- Press notes and briefings
- Events/press conferences

Frequency of Engagement
- Quarterly
- Annually
- Every material event

KPIs
- 55 press releases
- 48 key media coverage

Auditors

Why We Engage
As a part of our governance process and in order to run a transparent operation, we have partnered with both internal and external auditors. Both play an important role in the oversight and monitoring of all Company processes and standard operating procedures. While the former examines processes at a granular level on a quarterly bases, the latter audits the Company's financial results and ESG disclosures on an annual basis. This allows for pre-emptive work to take place and helps us run our operations smoothly.

How We Engage
- Regular meetings and reviews
- Email communication
- One-one-one

Frequency of Engagement
- Weekly/monthly/ quarterly/annually
- When a specific incident occurs

KPIs
N.A

Bankers

Why We Engage
Bankers are crucial partners for Lemon Tree both in terms of managing our cash flows and daily hotel operations and in terms of providing us loans when we need them to fuel growth of the Company. As this sector is governed by very strict laws and is continuously evolving, we remain in constant contact with our bankers to ensure we are getting the most competitive interest rate on loans (if any) and the service levels received from our bankers is consistently high across all our hotels. Bankers have also played an important role at the time of the Company's IPO.

How We Engage
- Regular meetings
- Email communication
- One-one-one

Frequency of Engagement
- Weekly/monthly/ quarterly/annually
- When a specific need arises

KPIs
N.A

MATERIALITY ASSESSMENT

Navigating Critical Issues

We identify the critical economic and ESG themes that guide our strategy development and reporting practices. Based on GRI and SASB guidelines, in FY21 we conducted a materiality assessment, prioritising stakeholder concerns and identifying key business issues. Employing a quadripartite approach, we ensured comprehensive coverage of material sustainability issues, enabling informed decisions and driving positive impact.

Materiality Process

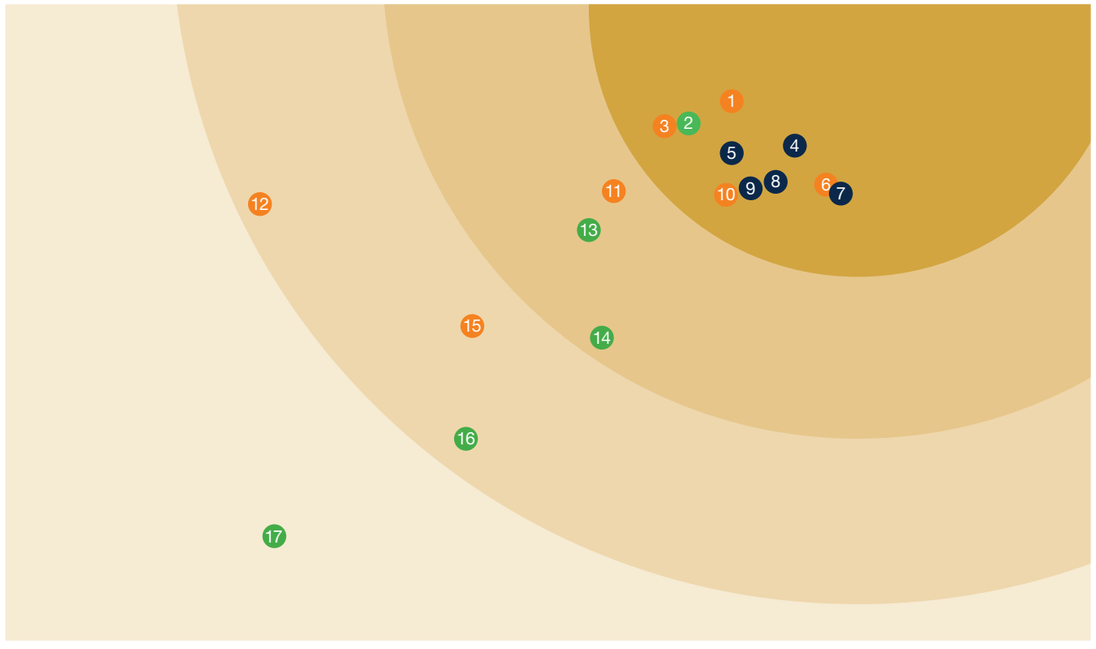
Identification
Created an inclusive list of topics by integrating GRI and SASB guidelines and conducting peer benchmarking.

Categorisation
Each topic has been categorised under E, S, or G to emphasise the significant ESG aspects relevant to LTH.

Prioritisation
Developed a materiality matrix and stakeholder priority map through stakeholder consultations.

Validation
Worked together with management and an external validation agency to ensure a thorough and impartial assessment of pertinent issues.

Materiality Matrix



Material Topics	Relevance for our stakeholders
1 Health and Well-Being	
2 Water Management	
3 Commitment to Human Rights	
4 Regulatory Compliance	
5 Ethics and Transparency	
6 Customer Delight	
7 Brand and Reputation Management	
8 Economic Performance	
9 Data Privacy	
10 Diversity and Inclusion	
11 Talent Management and Retention	
12 Sustainable Supply Chain	
13 Waste Management	
14 Energy Management	
15 Local Community Development	
16 Biodiversity Protection	
17 Climate Change	

Citrus Cafe at Lemon Tree Hotel, Kasauli

- Employees
- Regulatory Bodies/ Government
- Owners and Partners
- Contractors
- Local Communities
- Industry Associates
- Customers
- Investors and Shareholders
- Suppliers and Vendors
- NGOs
- Online Travel Agencies (OTAs)/Portals
- Media
- Auditors
- Bankers

ESG VISION 2026 AND PERFORMANCE

Guided by Ethical Business Practices

We integrate various ESG aspects into our business strategy, applying them consistently across our operational hotels and planning for their implementation at our upcoming properties. Our firm commitment to ethical business practices leads to a positive impact on our employees, customers, suppliers, community and society at large. Our dedication to creating sustained value for all stakeholders is central to our ESG approach.

Aurika, Mumbai Skycity

Our ESG vision for FY26 is aligned with the United Nations' Sustainable Development Goals (UNSDGs) and we have set specific targets to achieve these goals across our 41 owned/leased hotels.

Environment

We aim to improve energy efficiency, adopt renewable energy and technology innovations, mitigate the effects of climate change, reduce waste, conserve water and reduce carbon footprint.

Social

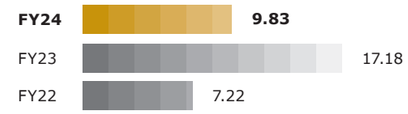
We focus on human development, aiming to empower local communities and create an inclusive, equal-opportunity workplace.

Governance

We aim to establish an ethical and transparent organisation.

We make sustainable investments to support the UNSDGs. Aurika, Mumbai Skycity exemplifies our commitment to such investments. The project was under development until October 2023 and became operational afterwards, resulting in the value of investment being highest in FY23.

Investment for sustainable development (₹ in Crores)



ESG Governance Structure

The Board

Develops the ESG Vision and supervises the execution efficacy of LTH's ESG strategy.

ESG Taskforce

Outlines LTH's ESG strategy, policies, procedures and provides senior leadership with recommendations that result in successful execution.

Senior Management Team

Oversees and reports on the impact of ESG-related projects and programmes.

ESG VISION 2026 AND PERFORMANCE

ESG Targets FY26 and Performance Dashboard

Core SDGs Targeted

Impact on other SDGs

SDG Target

- **7.3** By 2030, double the global rate of improvement in energy efficiency
- **12.2** By 2030, achieve the sustainable management and efficient use of natural resources
- **12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature
- **13.2** Integrate climate change measures into national policies, strategies and planning

Energy Consumption

Target FY26[53]

15%
Reduction in energy consumption (intensity-based) over the FY19 baseline

Progress[53]

FY24	**6.93%**
FY23	10%
FY22	40%

Status On Track

Relevant Material Topics

- Energy management
- Climate change

Core SDGs Targeted

Impact on other SDGs

SDG Target

- **7.2** By 2030, increase substantially the share of renewable energy in the global energy mix
- **12.2** By 2030, achieve the sustainable management and efficient use of natural resources

Renewable Energy

Target FY26[53]

50%
Renewable energy usage

Progress[53]

FY24	**10.75%**
FY23	10.97%
FY22	15.25%

Status Behind Schedule

Relevant Material Topics

- Energy management
- Climate change

On Track Ahead of schedule Behind Schedule

[53] For the 41 owned/leased hotels

Core SDGs Targeted

Impact on other SDGs

SDG Target

- **7.3** By 2030, double the global rate of improvement in energy efficiency
- **12.2** By 2030, achieve the sustainable management and efficient use of natural resources
- **12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

GHG Emissions

Target FY26[54]

40%
Reduction in GHG emissions (intensity-based) over the FY19 baseline

Progress[54]

FY24	**8.97%**
FY23	19%
FY22	42%

Status Behind Schedule

Relevant Material Topics

- Energy management
- Sustainable supply chain
- Waste management

Core SDGs Targeted

Impact on other SDGs

SDG Target

- **6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- **12.2** By 2030, achieve the sustainable management and efficient use of natural resources
- **12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- **13.2** Integrate climate change measures into national policies, strategies and planning

Water

Target FY26[54]

10%
Reduction in water consumption (intensity-based) over the FY19 baseline

Progress[54]

FY24	**22.32%**
FY23	15%
FY22	39%

Status Ahead of schedule

Relevant Material Topics

- Water management

On Track Ahead of schedule Behind Schedule

[54] For the 41 owned/leased hotels

ESG VISION 2026 AND PERFORMANCE

ESG Targets FY26 and Performance Dashboard

Core SDGs Targeted

Impact on other SDGs

SDG Target

- **11.b** By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels

Green Buildings

Target FY26[55]

100%
Certified green buildings (owned/leased hotels)

Progress[55]

FY24	**29.27%**
FY23	25%
FY22	15%

Status On Track

Relevant Material Topics

- Energy management
- Waste management
- Water management
- Climate change
- Health and well-being

Core SDGs Targeted

Impact on other SDGs

SDG Target

- **8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value
- **8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training
- **8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment
- **10.4** Adopt policies, especially fiscal, wage and social protection policies and progressively achieve greater equality

Diversity and Inclusion

Target FY26[55]

20%
Opportunity Deprived Individuals (ODI) in the workforce

Progress[55]

FY24	**16.96%**
FY23	13%
FY22	13%

Status Ahead of schedule

Relevant Material Topics

- Talent management and retention
- Diversity and inclusion
- Commitment to human rights

On Track Ahead of schedule Behind Schedule

[55] For the 41 owned/leased hotels

Core SDGs Targeted

Impact on other SDGs

SDG Target

- **8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value
- **8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment

Gender Diversity

Target FY26[56]

15%
Women across the workforce

30%
Women Directors

Progress[56]

FY24	**13%**	**FY24**	**20%**
FY23	14%	FY23	14.3%
FY22	9%	FY22	6%

Status On Track **Status** On Track

Relevant Material Topics

- Talent management and retention
- Diversity and inclusion
- Commitment to human rights

On Track Ahead of schedule Behind Schedule

[56] For the 41 owned/leased hotels

Environment

Driving Sustainable Innovation

We actively seek opportunities to advance environmental stewardship by minimising our carbon footprint, conserving water, enhancing waste reduction and recycling through innovative practices. This commitment drives us to explore cutting-edge technologies and methods, continuously furthering our efforts in environmental sustainability.

Stakeholders Impacted

- Employees
- Customers
- Local communities
- Regulatory bodies/ Government

UN SDGs

Material Issues Impacted

- Energy management
- Climate change and emissions
- Water management
- Waste management
- Biodiversity

FY24 Key Performance Highlights[57]

12.58%
Energy consumption from renewable sources

866 kg
Retired IT assets reused and recycled

4,344 KL/day
Combined capacity of sewage treatment plants

27.77%
Recycled water (out of total water consumed, except bottled water)

48.79 tonnes
Plastic waste safely disposed

[57] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

Lemon Tree Hotel, Kasauli

ENVIRONMENT

Our Green Goals

We have adopted green goals to ensure:

Robust Governance

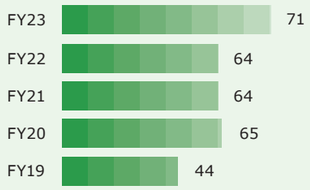
The ESG task force primarily pilots and implements new initiatives to achieve our FY26 targets. Additionally, it manages LTH's ESG strategy and monitors progress towards these targets.

Transparent Communication

We have participated in the Global Real Estate Benchmark (GRESB), prioritising ESG disclosures and communicating our initiatives. Since 2021, we have also published our ESG/ Integrated Report.

GRESB Score over 5 years

FY24 will be declared on 1st October 2024.



Greener Operations

Over the last two decades, we have constructed hotels that promote energy efficiency and water conservation and are driving the switchover to renewable energy sources to reduce our carbon footprint. We adhere to IGBC/LEED Gold standards while designing our owned/leased hotels.
Our current goal is to have all 42 owned/leased hotels certified by FY26.

Lemon Tree Hotel, Baddi

Energy Management

We are actively transitioning to renewable energy to reduce our dependency on traditional energy sources. Additionally, we have implemented initiatives to enhance energy efficiency through optimised design and technology, encompassing air conditioning, lighting and ventilation systems across all owned/leased and managed/franchised hotels.

Approach

- **Energy Efficiency:** Focused on enhancing energy efficiency across our hotels to support sustainability goals.
- **Renewable Energy:** Committing to renewable energy to reduce environmental impact.

FY26 Target

15%
Reduction in energy consumption (intensity-based) over the FY19 baseline

50%
Share of renewable energy in total energy consumption for the 41 owned/leased hotels

FY24 Performance[58]

6.93%
Reduction in energy consumption (intensity-based) over the FY19 baseline

10.75%
Share of renewable energy in total energy consumption

[58] For the 41 owned/leased hotels.

ENVIRONMENT

Energy Efficiency

In line with the UN Sustainable Development Goal (SDG) 12, we have introduced several energy-saving initiatives across our hotels to enhance operational efficiency. We effectively improve our efficiency by implementing systematic energy management initiatives and by integrating green building designs, advanced technology and renewable energy sources alongside energy-efficient appliances. We also actively promote energy-saving practices among both employees and guests.

In FY24, across the 41 owned/leased and 22 managed hotels covered in the scope of this report, we recorded an energy intensity of 135 kWh/m², up from 132 kWh/m² in FY23. Energy intensity per occupied room also increased, reaching 40 kWh/occupied room in FY24 compared to 39 kWh/occupied room in FY23. Our total energy consumption across the 41 owned/leased hotels and 22 managed hotels was 264,151.44 GJ, an increase from 228,787.30 GJ in FY23. Fuel-wise energy consumption also grew, totalling 108,441.28 GJ in FY24 compared to 98,184.08 GJ in FY23. This rise is attributed to our hotels operating at full capacity and occupancy in FY24 across rooms, food and beverage, thereby reaching pre-COVID levels.

ENERGY INTENSITY IN FY24 (KWH/M²)

123
41 Owned/Leased Hotels

186
22 Managed Hotels

ENERGY INTENSITY BASED ON OCCUPIED ROOMS IN FY24 (KWH/OCC ROOM)

37
41 Owned/Leased Hotels

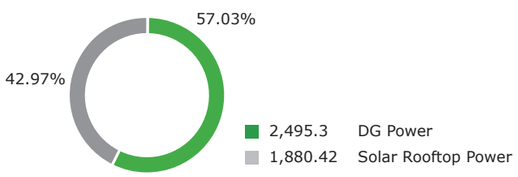
53
22 Managed Hotels

Total Energy Consumption in FY24 (GJ)

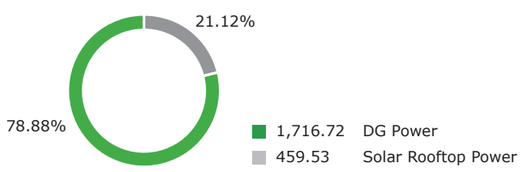
	Within the Organisation			Outside the Organisation			Total		
	FY22	FY23	**FY24**	FY22	FY23	**FY24**	FY22	FY23	**FY24**
41 Owned/ Leased Hotels	2,882.37	4,958.30	4,375.72	1,04,955.36	1,55,498.95	1,88,666.35	1,07,837.74	1,60,457.25	1,93,042.06
22 Managed Hotels	1,568.99	2,500.11	2176.25	50,844.92	65,829.95	68,933.13	52,413.91	68,330.06	71,109.38

Total Energy Consumption within the Organisation in FY24 (GJ)

41 Owned/Leased Hotels

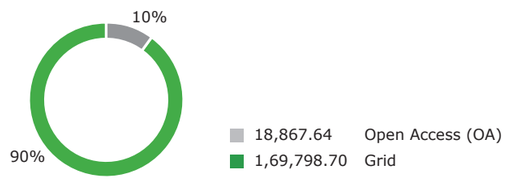


22 Managed Hotels

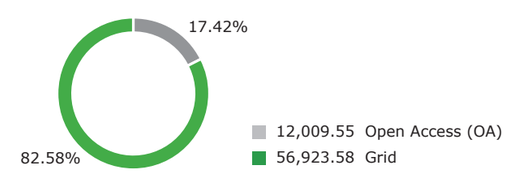


Total Energy Consumption outside the Organisation in FY24 (GJ)

41 Owned/Leased Hotels



22 Managed Hotels



Fuel-wise Energy Consumption within the Organisation in FY24 (GJ)

	41 Owned/Leased Hotels			22 Managed Hotels		
	FY22	FY23	**FY24**	FY22	FY23	**FY24**
Petrol for vehicles	93.57	251.07	291.39	142.39	329.75	468.97
Diesel for vehicles	1,989.50	2,837.52	3,248.35	345.58	602.28	494.47
Firewood	209.45	142.49	238.55	NA	0.00	0.23
Charcoal	3,542.25	5,558.93	6,660.02	NA	5,690.68	5,803.45
Liquefied Petroleum Gas (LPG)	25,706.25	33,543.40	36,652.05	13,017.39	15,546.93	16,790.31
Compressed Natural Gas (CNG)	19,213.94	26,844.32	28,939.64	3,897.30	6,836.71	8,853.84
Total	**50,754.95**	**69,177.74**	**76,030.00**	**17,402.65**	**29,006.34**	**32,411.27**

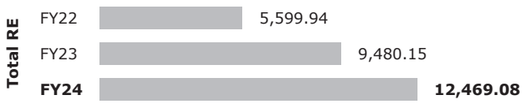
Renewable Energy

Over the past few years, we have taken several steps to source renewable energy across owned/leased and managed/franchised hotels, to reduce our carbon footprint. We have implemented onsite renewable energy generation methods such as solar rooftop photovoltaic panels, utilised open access arrangements for clean energy and are in the process of signing third party agreements for dedicated renewable energy projects. Our total renewable energy consumption for FY24 across the 41 owned/leased and 22 managed hotels covered in the scope of this report was 33,217.14 GJ, up from 27,076.88 GJ in FY23.

Total Renewable Energy Consumption (GJ)

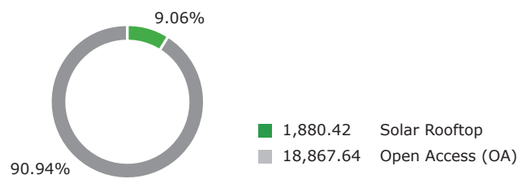
41 Owned/Leased Hotels

22 Managed Hotels

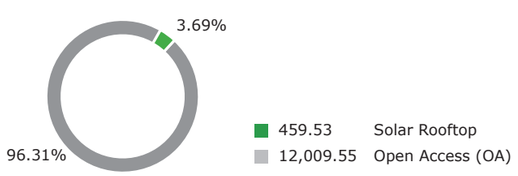


Renewable Energy Mix FY24 (GJ)

41 Owned/Leased Hotels



22 Managed Hotels



12.58%
of the energy consumed across these hotels came from renewable sources, with 10.75% from the 41 owned/leased hotels and 17.54% from the 22 managed hotels.

38%
of these hotels generate energy from on-site renewable sources, including 24% of the 41 owned/leased hotels and 14% of the 22 managed hotels

557 kW
Installed solar rooftop capacity across these hotels, with 439 kW at the 41 owned/leased hotels and 118 kW at the 22 managed hotels

57%
of our projects focus on renewable energy consumption across these hotels, with 29% at the 41 owned/leased hotels and 27% at the 22 managed hotels

ENVIRONMENT

Climate Change and Emissions

We actively engage in practices that reduce emissions, as we understand the impact our industry can have on the environment and the critical risks that climate change poses to the health of our industry and of the economy.

Approach

- **Reducing GHG Emissions:** Reducing emissions through increasing renewable energy mix, enhancing energy efficiency and establishing EV charging stations.
- **Achieving Green Building Certification:** Obtaining certifications for sustainable design, energy efficiency and environmental impact in building projects.

FY26 Target

40%
Reduction in GHG emissions (intensity-based) over the FY19 baseline

100%
Certified green buildings (owned/leased hotels)

FY24 Performance[59]

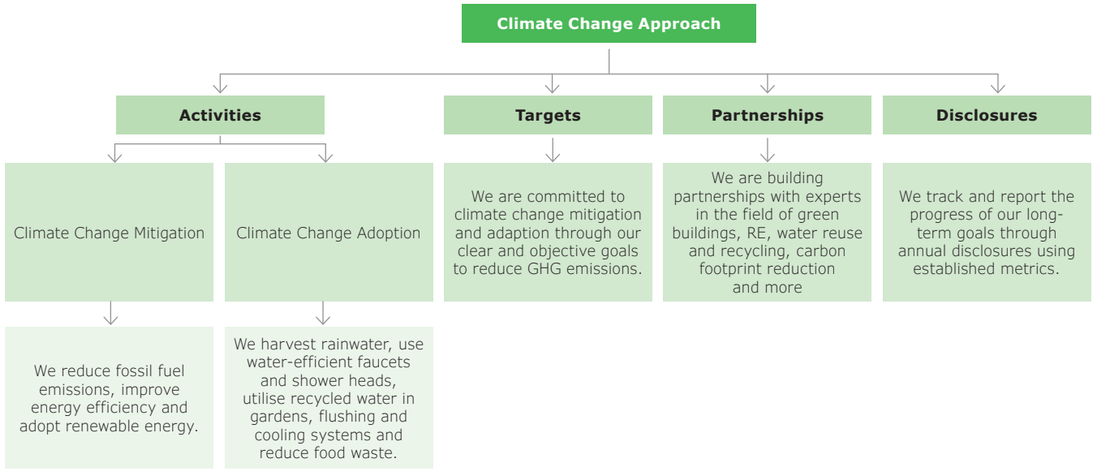
8.97%
Reduction in GHG emissions (intensity-based) over the FY19 baseline

29.27%
Certified Green Buildings (owned/leased hotels)

[59] For the 41 owned/leased hotels.

Approach to Climate Change

Our commitment to addressing climate change revolves around the following four essential elements:



Reducing our Carbon Footprint

We have implemented various measures to reduce greenhouse gas (GHG) emissions. We actively measure and monitor our emissions (Scopes 1 and 2) resulting from energy and fuel consumption at our hotels. GHG reduction is driven through:

- Increasing the usage of renewable energy in our operations
- Optimising energy usage by using energy-efficient equipment
- Introducing EV vehicles at our hotels
- Adopting clean fuels like LPG and CNG
- Phasing out Chlorofluorocarbons (CFCs) equipment
- Conducting tree-planting initiatives in local communities and our premises across India
- Assessing the viability of carbon offsets to further mitigate the negative impacts of our emissions
- Installation of Dual Fuel Kits and Retrofit Emission Control Devices for DG sets
- Old DG sets manufactured before 2004 are being replaced with the latest models

In FY24, our GHG and refrigerant emissions increased primarily due to the regularisation of operations to pre-COVID levels and the unstable supply of renewable energy through Open Access (OA) arrangements. This instability, with periods of zero supply in Delhi and parts of Maharashtra, disrupted our renewable energy intake and affected our Scope 1 and Scope 2 emissions.

Scope 1 emissions for the 41 owned/leased and 22 managed hotels covered in the scope of this report rose to 13,431.64 tCO_2e in FY24 from 12,990.44 tCO_2e in FY23, while Scope 2 emissions increased to 51,687.53 tCO_2e from 44,802.02 tCO_2e. Additionally, hydrofluorocarbons (HFCs)/refrigerant emissions increased to 3,438 tCO_2e in FY24 from 2,074 tCO_2e in FY23.

DIRECT GHG EMISSIONS – SCOPE 1 IN FY24

9,710.20 tCO_2e
41 Owned/Leased Hotels

3,721.44 tCO_2e
22 Managed Hotels

INDIRECT GHG EMISSIONS – SCOPE 2 IN FY24

38,707.31 tCO_2e
41 Owned/Leased Hotels

12,980.21 tCO_2e
22 Managed Hotels

GHG EMISSIONS INTENSITY IN FY24

0.1106 tCO_2e/m^2
41 Owned/Leased Hotels

0.1573 tCO_2e/m^2
22 Managed Hotels

HYDROFLUOROCARBONS (HFCS)/ REFRIGERANT EMISSIONS IN FY24

2,588 kg
41 Owned/Leased Hotels

850 kg
22 Managed Hotels

ENVIRONMENT

Case Study

ENHANCING ENVIRONMENTAL COMPLIANCE AND AIR QUALITY WITH ADVANCED DG SETS

At Lemon Tree Hotels, we have implemented new techniques to improve the environmental performance of our Diesel Generator (DG) sets, addressing both regulatory compliance and air quality concerns. These efforts span multiple properties and involve a range of technological solutions. We have installed Duel Fuel Kits (DF Kits) at five properties, enabling a dual fuel arrangement using piped natural gas (PNG) and high-speed diesel (HSD) in a 70:30 ratio. This modification significantly enhances exhaust quality, reducing emissions of pollutants such as CO2 and SO2. Retrofit Emission Control Devices (RECD) have been installed at three properties to reduce emissions from existing DG sets, helping us meet stricter pollution control norms. Two properties have installed new DG sets that comply with the Central Pollution Control Board (CPCB) IV standards, representing the latest emission control technology for diesel generators. By adopting these technologies across ten more properties, we are ensuring regulatory compliance and demonstrating our commitment to reducing our environmental impact and improving air quality in the areas where we operate.

Case Study

ADVANCING OUR GREEN BUILDING CERTIFICATION

Aligning with the Indian Green Building Council's (IGBC) Gold standard, we have increased the total number of certified green buildings to 12 as of 31st March 2024, up from 10 as of the previous year. In early April 2024, we achieved our fifteenth certification. This adherence to IGBC standards ensures the efficient use of natural resources and results in significant long-term savings. Currently, 29.27% of the 41 owned/leased buildings are certified green and we are aiming to achieve 100% certification of owned/leased hotels by FY26. To reach this goal, we are implementing improvements based on consultant recommendations. These enhancements include better waste collection and disposal, improved fresh air ventilation, plumbing fixes to utilise Sewage Treatment Plant (STP) water for flushing, installing meters for monitoring STP functions and increasing the use of eco-friendly refrigerants while updating Air Conditioning (AC) systems as necessary. Our commitment to green building practices reflects our ongoing efforts to advance sustainability and optimise resource management across our properties.

Case Study

SUPPORTING THE EV REVOLUTION

Focusing on energy optimisation and sustainable practices, we have installed 39 Electric Vehicles (EV) charging stations across our properties in 3 cities. At Aurika, Mumbai Skycity, we have introduced 25 charging stations, including 2 fast chargers and 23 dual chargers, all supplied by the German brand Quench. In Pune, we have installed 11 charging stations across our properties, including 3 fast chargers and 8 dual chargers. In Gurugram, we have installed 3 charging stations including 1 fast charger and 2 dual chargers. We support the shift to electric vehicles by providing these EV charging facilities while optimising energy use and reducing our carbon footprint.

This extensive network reflects our dedication to enhancing energy efficiency in our hotels and supporting our guests.

39
New charging stations installed in FY24

Lemon Tree Hotel, Dapoli

Water Management

Water management is a priority for us as we understand the increasing water scarcity nationwide and the potential business risks it entails. We have implemented various initiatives, including water conservation, recycling, wastewater treatment and rainwater harvesting to optimise water management and ensure sustainable resource use.

Approach

- **Enhancing water efficiency:** Installing water-efficient equipment, upgrading existing systems for enhanced water efficiency.
- **Installation of STPs:** Using Sewage Treatment Plants (STPs) for ongoing wastewater treatment and recycling.
- **Guest participation in water saving:** Through our Third Day Linen Change initiative and Half Glass Water Service. The water saving achieved is substantial and the resulting awareness building process is an added advantage. These initiatives have been appreciated and supported by our guests

FY26 Target

10%
Reduction in water consumption (intensity-based) over the FY19 baseline

FY24 Performance[60]

22.32%
Reduction in water consumption (intensity-based) over the FY19 baseline

[60] For the 41 owned/leased hotels.

ENVIRONMENT

Our Water Footprint

Recognising our dependency on freshwater, we have implemented various efficient water management measures at our hotels. We maximise the use of aerators, flow restrictors and dual flush systems. Additionally, we have introduced a third-day linen change programme and the half-glass water initiative to encourage our guests to participate in our water conservation efforts.

Our total water consumption across the 41 owned/leased and 22 managed hotels covered in the scope of this report for FY24 is 1,070,546 KL, which includes municipal, tanker and borewell water. Including bottled water, the total consumption is 1,075,000.52 KL. This represents an increase from FY23, when our total water consumption was 1,019,378 KL and 1,023,749 KL with bottled water. The rise in consumption is attributed to increased operational activities, especially in banquets and conferences.

Total Water Withdrawal in FY24 (KL)

	41 Owned/ Leased Hotels	Total 22 Managed
Municipal Water Source	3,66,337.59	56,724.00
Ground Water (Borewell)	2,68,250.10	1,98,504.29
Procured Water (Tanker)	1,55,822.00	24,908.00
Recycled Water	2,25,733.08	71,590.80
Bottled Water	3,295.57	1,158.96
Total Water Consumption[61]	7,90,410	2,80,136
Total Water Consumption including Bottled Water	7,93,705	2,81,295

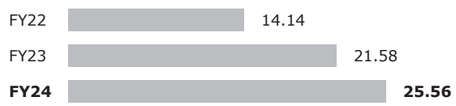
Wastewater Recycling

In order to conserve the usage of freshwater, we recycle wastewater within each hotel through sewage treatment plants (STPs) with a combined capacity of 4,344 KL daily, including 3,719 KL for our 41 owned/leased hotels and 625 KL for our 22 managed hotels. In FY24, we recycled 27.77% of wastewater across the 41 owned/leased and 22 managed hotels covered in the scope of this report, amounting to 297,323.88 KL. The wastewater recycled in FY24 increased by 4,086.40 KL from 293,237.48 KL in FY23.

Water Recycled (%)

41 Owned/Leased Hotels

22 Managed Hotels



Case Study

IMPROVING WATER MANAGEMENT WITH OUR BOTTLING PLANTS

Lemon Tree Hotels has installed in-house water bottling plants at 3 hotels. This initiative piloted in FY23, was expanded in FY24, reflecting our commitment to improving water efficiency and sustainability. Our latest installation at Aurika, Mumbai Skycity, uses Capacitive De-ionisation (CDI) technology, which offers notable benefits over traditional Reverse Osmosis (RO) systems. CDI technology achieves up to 90% water recovery, reduces total dissolved solids (TDS) by up to 90% and uses only 30% of the electricity compared to RO systems.

In FY24, the Aurika, Mumbai Skycity bottling plant reduced plastic waste by 8,811 kg and decreased expenditure on packaged water by 10-11%. We plan to implement similar plants at seven additional properties, expecting a 5-10% reduction in packaged water costs. Our approach includes rigorous quality control—cleaning, sanitising, filling and packaging SOPs—to ensure the bottled water meets high hygiene and safety standards, demonstrating our focus on efficient water management and sustainable practices.

[61] Municipal, tanker and borewell account for total water consumption.

Waste Management

We are committed to minimising waste through sustainable practices, which are integral to our daily operations. Our best-in-class practices effectively reduce, segregate and handle waste. We prioritise waste reduction, reuse and recycling throughout our hotel facilities, including guest rooms, restaurants, public areas and operational spaces. We gather valuable insights to implement focused strategies by assessing waste generation across all our hotels. Our primary focus for all our upcoming and existing hotels is to ensure compliance with environmental regulations set by the Ministry of Environment, Forest and Climate Change (MOEF&CC). To raise awareness and effectively implement our ESG and Waste Management Policy among our employees, we conduct regular training and provide support to empower them.

In FY24, total waste generation at the 41 owned/leased and 22 managed hotels covered in the scope of this report was reduced to 1,368,029 kg, compared to 1,513,242 kg in FY23. The hazardous waste generated was 82.57 MT, compared to 6.83 MT in FY23. Non-hazardous waste generation reduced to 1,368.05 MT, compared to 1,513.22 MT in FY23. The increases in certain categories of waste were due to the replacement and upgrade of air conditioning in select hotels, as well as an overall streamlining of waste data monitoring and record-keeping.

Approach

- **Reduce, segregate and recycle:** Implementing comprehensive waste reduction, segregation and recycling practices.
- **Capacity building:** Conducting regular training to ensure effective waste management practices and employee engagement.

FY24 Performance[62]

866 kg
Retired IT assets reused and recycled

[62] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report.

ENVIRONMENT

Our Waste Management Approach

E-waste Management

- Dispose of old IT and electronic equipment responsibly
- Manage hazardous chemicals carefully
- Purchase IT assets from certified suppliers

Waste Segregation, Classification and Disposal

- Ensure on-site waste segregation
- Categorise waste properly
- Deliver waste to authorised partners

General Waste Management and Disposal

- Manage waste types appropriately

Waste Generation by Source (kg)

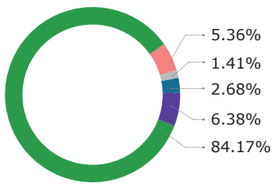
	Wet waste			Dry waste			Total		
	FY22	FY23	**FY24**	FY22	FY23	**FY24**	FY22	FY23	**FY24**
41 Owned/ Leased Hotels	4,84,709	4,97,101	5,26,104	3,32,416	3,13,257	2,35,830	8,17,125	8,10,358	7,61,934
22 Managed Hotels	3,09,931	4,88,580	4,38,083	1,12,887	2,14,304	1,68,011	4,22,818	7,02,884	6,06,094

Waste Generation by Category (MT)

	Hazardous waste			Non-hazardous waste		
	FY22	FY23	**FY24**	FY22	FY23	**FY24**
41 Owned/ Leased Hotels	9.46	4.68	74.00	817.13	810.33	762.00
22 Managed Hotels	0.93	2.15	8.58	422.82	702.88	606.09

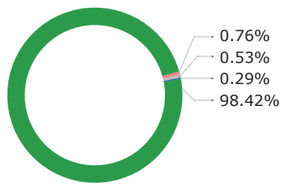
Waste Disposal in FY24 (MT)

41 Owned/Leased Hotels



44.75	Plastics (including packaging) safely disposed
11.76	E-waste safely disposed
22.35	Hazardous waste safely disposed
53.29	Other waste recycled
703.23	Other waste safely disposed

22 Managed Hotels



4.04	Plastics (including packaging) safely disposed
2.81	E-waste safely disposed
1.56	Hazardous waste safely disposed
524.05	Other waste safely disposed

Case Study

CONVERTING WASTE TO ENERGY PRUDENTLY

At Aurika, Mumbai Skycity, we have implemented a biogas plant that effectively addresses waste management and energy production. The plant uses anaerobic digestion, where organic waste is broken down by bacteria without oxygen, resulting in biogas. This approach offers several benefits: it produces zero-emission energy, reduces waste disposal costs and supports the circular economy principles by converting waste into valuable energy. This initiative highlights our commitment to sustainability and contributes significantly to reducing our carbon footprint.

Lemon Tree Amarante Beach Resort, Goa

Biodiversity

Recognising the impact our development and operations can have on the surrounding ecosystem and natural resources, we embrace our role as responsible stewards of the environment. It is our duty to preserve nature, biodiversity and the unique habitats where our properties are situated. Therefore, we ensure that our properties do not encroach on designated protected zones such as national parks and wildlife reserves. We are committed to integrating biodiversity and habitat conservation into every aspect of our operations, development and acquisitions.

Approach

- **Protecting Sensitive Areas:** Avoiding encroachment on protected zones.
- **Embedding Conservation:** Integrating biodiversity into all operations.

FY24 Performance

At Bandhavgarh

- We discontinued packaged drinking water and single-use plastic.
- We assisted in managing forest fires and planted over 100 trees.

Social

Together for a Better Tomorrow

Our commitment to the community extends to our valued guests, trusted partners and employees all engaging to create meaningful and lasting impact.

Stakeholders Impacted

- Employees
- Customers
- NGOs
- Local communities
- Investors and shareholders
- Owners and partners

UN SDGs

Material Issues Impacted

- Health and well-being
- Commitment to human rights
- Customer delight
- Diversity and inclusion
- Talent management and retention
- Sustainable supply chain
- Local community development

FY24 Key Performance Highlights[63]

20%
Women at Managing Director and Director levels

18%
Women in senior roles

1:1
Male:Female wage ratio

17.70%
Opportunity Deprived Individuals, including 342 Employees with Disability and 591 Employees from Economically/Socially Marginalised backgrounds

[63] For the Corporate Office and the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

SOCIAL

Our People

We are invested in creating a vibrant and supportive workplace, prioritising the well-being of our employees and cultivating an inclusive and diverse culture. Through our talent management initiatives, including upskilling and cross-training, we ensure equal opportunities free from discrimination. Our Human Rights Policy highlights our dedication to respecting and safeguarding all employees' rights. Emphasising health, safety and employee engagement further strengthens our commitment to creating a dynamic workplace.

Approach

Talent Management:

- Focus on hiring young talent at various levels
- Ensure equitable employment for Opportunity Deprived Individuals (ODIs), which encompasses Employees with Disability (EwD) and Employees from Economically/ Socially marginalised segments (EcoSoc)
- Promote empowerment, high productivity and retention of talent

Occupational Health and Safety:

- Strive for zero incidents/accidents and maintain occupational health and safety

Human Rights:

- Uphold human rights across all aspects of operations

FY26 Target

20%
Opportunity Deprived Individuals (ODIs) in the workforce

15%
Women across the workforce

30%
Women Directors

FY24 Performance[64]

16.96%
ODIs in the workforce

13%
Women across the workforce

20%
Women Directors

[64] For the 41 owned/leased hotels

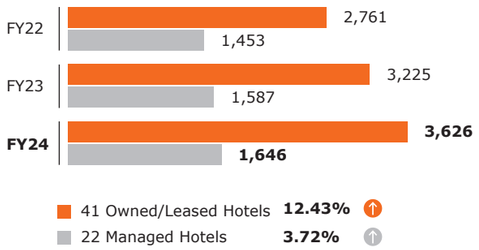
Employee Engagement Strategy

We minimise hierarchical levels between leaders and team members through a flat organisational structure, encouraging individual involvement and team spirit. Within our diverse workforce, we prioritise talent regardless of gender, special needs or background. Our strategic recruitment approach focuses on hiring young talent at various levels to bring fresh perspectives and contribute to the continuous growth and development of the organisation.

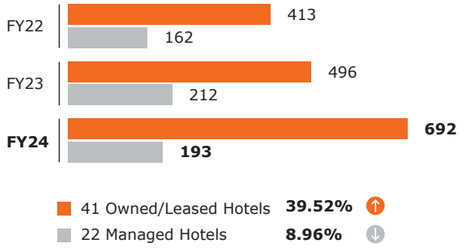
Total Employees by Contract Type

In FY24, across the 41 owned/leased and 22 managed hotels covered under the scope of this report, our full-time workforce reached 5,272, an increase from 4,812 in FY23, reflecting a 9.56% Y-o-Y growth. Our contractual employees rose from 708 in FY23 to 885 in FY24, representing a 25% Y-o-Y increase. Additionally, our non-employed workers grew from 1,923 in FY23 to 2,036 in FY24, with a 5.88% Y-o-Y rise. These changes across full-time, contractual and non-employed categories highlight our expansion and adaptability.

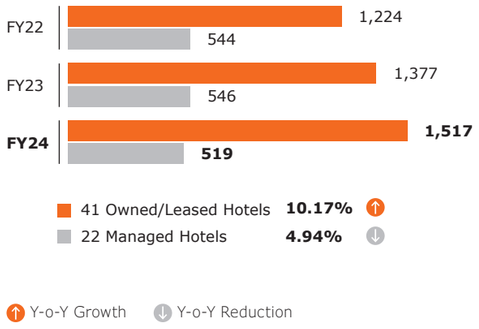
Full-time Employees



Contractual Employees



Non-employed Workers



Full-time Employee Distribution by Levels and Gender

	41 Owned/Leased Hotels						22 Managed hotels					
	FY22		FY23		FY24		FY22		FY23		FY24	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	42	8	52	11	53	12	0	0	0	0	0	0
Mid-management	590	51	664	69	717	86	237	12	264	9	278	11
Executives	367	31	384	43	520	51	197	10	190	13	197	19
Associates	1,428	163	1,690	212	1834	291	866	98	964	114	971	125
Trainees/Apprentices	73	8	64	36	42	20	26	7	24	9	30	15
Total	**2500**	**261**	**2854**	**371**	**3166**	**460**	**1326**	**127**	**1442**	**145**	**1476**	**170**

SOCIAL

Case Study

BUILDING A GREAT WORKPLACE: 2024 GPTW PARTICIPATION AND CULTURE AUDIT

We undertake a comprehensive exercise each year to understand and enhance the satisfaction and engagement levels of our employees. In FY24, this initiative included an online survey completed by ~4,500 employees across 82 hotels and the Corporate office along with a detailed culture audit of our LTH's HR and people practices. The Great Place to Work (GPTW) Institute evaluates companies on five key dimensions:

- Credibility
- Respect
- Fairness
- Pride
- Camaraderie

Our culture audit explores crucial areas such as Trust, Maximising Human Potential, Value, Leadership Effectiveness, Innovation by All, Gender Equality and implementing innovative policies and actions. Through this annual assessment, we gain valuable insights to continually improve our workplace environment and foster a culture of excellence.

33
GPTW Rank

Case Study

'I AM LEMON TREE' INITIATIVE

Launched in March 2023, our 'I Am Lemon Tree' initiative aims to demonstrate a sense of pride, ownership, customer centricity, high professional and personal standards and an attitude of excellence. This initiative is conducted across all hotels and work levels, starting with Hotel General Managers and departmental heads. A key component is the 'Champions Code of Affirmations,' which includes ten essential points covering various aspects of customer service and professional conduct.

- I greet promptly and warmly. At the start and at the end
- I keep my space (and myself) pleasing and attractive
- I am cheerful and refined in my conduct
- I treat different people differently, but just as importantly
- I inspire confidence
- I take ownership. I am a solution provider
- I am just as pleasing over the telephone
- I am knowledgeable and informative
- I persuade, I suggest, I sell
- I win back irate guests

727 **managers**
Across 30 hotels that successfully completed the training in FY24

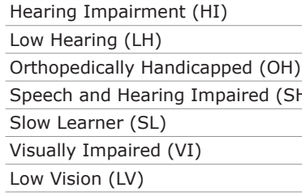
Diversity and Inclusion

Our Diversity and Inclusion Policy reflects our commitment to promote a culture of trust, commitment and long-term socioeconomic development among our employees and within the community in which we operate. We have been a focussed equal-opportunity employer for nearly two decades, actively promoting diversity and inclusion. We aim to provide equitable employment opportunities to Opportunity Deprived Individuals (ODIs), which includes Employees with Disability (EwDs) and those from Economically/Socially marginalised backgrounds (EcoSocs). By integrating ODIs into our workforce, we empower them to lead dignified lives while encouraging meaningful and wholesome guest participation. For FY24 across the 41 owned/leased and 22 managed hotels covered under the scope of this report, our ODI % was 17.7% vs. 12.8% in FY23 and the gender diversity was 88% male and 12% female compared to FY23 where the figures were 89% male and 11% female.

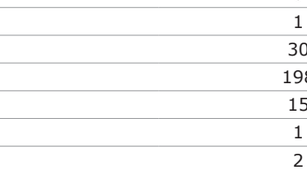
Full-time Employee Distribution by Age and Gender

	41 Owned/Leased Hotels						22 Managed hotels					
	FY22		FY23		FY24		FY22		FY23		FY24	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<30 years	1,067	158	1,340	229	1560	292	662	77	745	95	747	108
30-50 years	1,345	96	1,392	134	1479	160	625	48	657	48	686	60
>50 years	88	7	122	8	127	8	39	2	40	2	43	2
Total	**2,500**	**261**	**2,854**	**371**	**3,166**	**460**	**1,326**	**127**	**1,442**	**145**	**1,476**	**170**

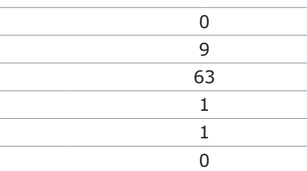
Total Employee Gender Diversity FY24[65] (%)



Gender Diversity at Corporate Office in FY24 (%)



Gender Diversity at the Senior Level in FY24[66] (%)



Gender Diversity at Hotels in FY24 (%)

41 Owned/Leased Hotels

22 Managed Hotels

Employees with Disability Count in FY24

In FY24, our workforce included 342 Employees with Disability (EwDs) and 591 individuals from Economically and Socially marginalised backgrounds (EcoSocs) across the 41 owned/leased and 22 managed hotels covered under the scope of this report. This represents an increase from FY23, when we had 340 EwDs and 274 EcoSocs employed in the same hotels.

Employee with Disability (EwD) Distribution in FY24

	41 Owned/Leased Hotels	Total 22 Managed Hotels
Autism	5	1
Down Syndrome (DS)	11	0
Hearing Impairment (HI)	0	3
Low Hearing (LH)	1	0
Orthopedically Handicapped (OH)	30	9
Speech and Hearing Impaired (SHI)	198	63
Slow Learner (SL)	15	1
Visually Impaired (VI)	1	1
Low Vision (LV)	2	0
Intellectual and Developmental Disability (IDD)	1	0
Total	**264**	**78**

[65] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report
[66] For the Corporate Office and the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

SOCIAL

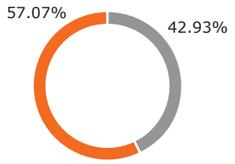
Total ODI Workforce in FY24

17%
In Owned/Leased hotels

19%
Managed hotels

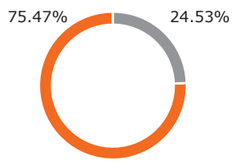
Number of ODI Employees in FY24

41 Owned/Leased Hotels



351 Total EcoSocs
264 Total EwDs

22 Managed Hotels



240 Total EcoSocs
78 Total EwDs

Case Study

ADVANCING INCLUSIVITY AND TALENT DEVELOPMENT

In FY24, we consolidated our inclusivity and talent efforts by resuming our Intellectual and Developmental Disability Traineeship Programme and enhancing our Indian Sign Language (ISL) training. These initiatives helped drive our commitment to fostering a diverse and supportive workplace.

NURTURING TALENT: THE RETURN OF OUR DEVELOPMENTAL DISABILITY TRAINEESHIP PROGRAMME

We resumed our Intellectual and Developmental Disability Traineeship Programme after a three-year break. This initiative has been implemented across multiple cities, providing training and employment opportunities to individuals with Intellectual and Developmental Disabilities (IDD). The cities covered include Delhi/National Capital Region, Mumbai, Bengaluru and Chennai, where we have hired 5, 5 and 3 IDD employees, respectively in the first three cities and have three trainees still undergoing training in Chennai. (continuing into FY25).

20
IDD interns trained

13
IDD interns hired

ENHANCING INCLUSIVITY THROUGH ISL TRAINING

Building inclusive communication is at the core of our commitment to empowering specially abled employees. We strive to create an accommodating environment where everyone can thrive regardless of their abilities. As part of this commitment, we have significantly improved our Indian Sign Language (ISL) training to ensure our team members have effective and inclusive communication skills. To further enhance our Indian Sign Language (ISL) training, we have developed new content in collaboration with the ESG and L&D teams. This updated material includes the alphabet, numbers, days of the week, months, colours, family/relationships, golden phrases and key terms related to hospitality. Over the years, our hotel teams across India have been learning ISL. With this refreshed content and a new testing process, we aim to consolidate and standardise the learning across the country.

Learning and Development (L&D)

Our vision revolves around nurturing talent at all levels, with a strong focus on leadership development and building a robust pipeline for hotel leadership roles. Hence, our top priorities are employee training and leadership development, which are crucial for maintaining brand consistency, enhancing customer service and inspiring the team. Our comprehensive approach encompasses new employee training, job-specific coaching and advanced training for senior staff. These ongoing efforts help us cultivate a steadfast customer focus and service excellence.

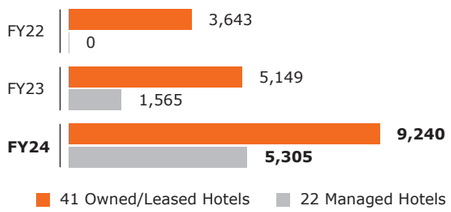
In FY24, across the 41 owned/leased and 22 managed hotels covered under the scope of this report, a total of 14,545 hours were dedicated to upskilling, a significant increase of 116.64 % from 6,714 hours in FY23. During this period, 8,691 employees received training, compared to 3,442 employees in FY23. The average cost of training per employee for FY24 was ₹6,640, slightly higher than ₹6,516 in FY23.

Training Man Hours in FY24

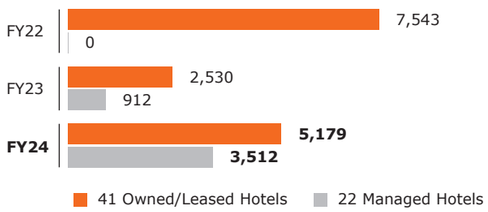
14.22
41 Owned/Leased Hotels

12.08
22 Managed Hotels

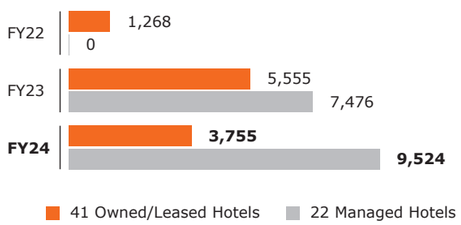
Total Training Hours for Upskilling



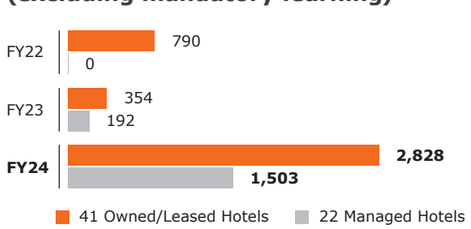
No. of Employees Receiving Training



Average Cost of Training per Employee



No. of Employees Receiving Training (excluding mandatory learning)



SOCIAL

Onboarding Excellence: The Fast-Track Training Experience

We have focused on supporting new employees in their early days and months to enhance customer service. This year, we introduced the Department First Steps Training Module, a structured week-long programme for new joinees in operations. Each new employee is paired with a HiPot Buddy/a certified department trainer, to facilitate their functional learning through our Buddy system. The programme includes training on crucial responsibilities, departmental procedures and customer service standards. We gather feedback continuously to improve the module, ensuring a smooth transition and a firm foundation for new employees.

Dep Talks

Our Dep Talks programme aims to align the upcoming leadership team at hotels with the vision and strategic direction of the Company. This includes Head of Departments/Deputy Head of Departments/other senior leaders at hotels. Our corporate leadership team conducts online live sessions with identified potential talent for leadership roles. These Dep Talks cover vital areas of each department and function from a strategic perspective, including ESG, Brand and Communications, Revenue Management and Distribution (RMD), Finance and Food Production. Each session, attended by 55-60 employees, facilitates interactive learning and discussion. We hold multiple sessions yearly to ensure comprehensive coverage and ongoing engagement. We use the feedback from participants to refine and enhance future sessions, ensuring that potential leaders are well-aligned with our Company's strategic goals.

Leadership Development Programme in Collaboration with Harappa Learning

Our Leadership Development Programme, co-created with Harappa Learning, features two relevant training programmes. The programmes aim to develop essential leadership capabilities and interpersonal skills.

160
Participants trained

Talent Management

Our employees are central to our speedy business growth and stable brand reputation. To promote their empowerment, productivity and retention, our talent management team focuses on nurturing and supporting our workforce. We have an employee growth programme that identifies exceptional individuals, known as Super High Achievers (SHAs) and High Potential (HiPots), which motivates employees to reach their full potential.

In FY24, 41% of employees at the 41 owned/leased and 22 managed hotels covered under the scope of this report received performance and career development reviews. The total number of employees was 2,162.

Employees Receiving Performance and Career Development Reviews in FY24 (%)

	41 Owned/ Leased Hotels	22 Managed Hotels
Male	43	42
Female	30	29
Total	**41**	**41**

Employee Support

Employee well-being and security are paramount to us and we provide comprehensive benefits to meet their needs. All our permanent employees receive full accidental and health insurance coverage. Additionally, we offer maternity benefits to our female employees and day-care facilities to all employees, recognising the importance of supporting our employees through various life stages.

In FY23 and FY24, we covered 96% of employees under Provident Fund (PF) across the 41 owned/leased and 22 managed hotels covered under the scope of this report. In FY23, 74% of employees were covered under Gratuity, which increased to 78% in FY24. Additionally, 67% of employees were covered under Employees' State Insurance (ESI) in FY23, which reduced to 60% in FY24.

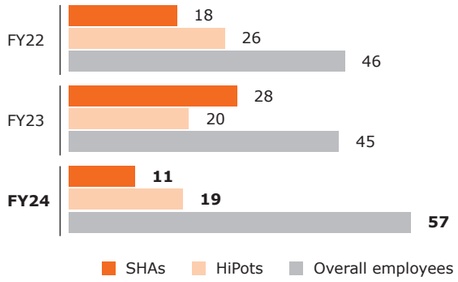
Employees Covered under Benefit Schemes in FY24 (%)

	41 Owned/ Leased Hotels	22 Managed hotels
Provident Fund (PF)	96	97
Gratuity	76	80
Employees' State Insurance (ESI)	56	70

Talent Retention

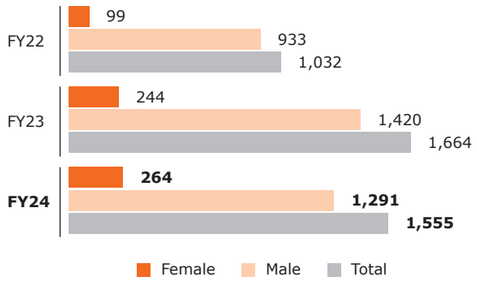
In FY24, the turnover rate across the 41 owned/ leased and 22 managed hotels covered in the scope of this report was 57%. Retention rates were 58% for male full-time employees and 48% for female full-time employees. Additionally, 71% of our new hires were under 30 years old.

Turnover Rate (%)[67]

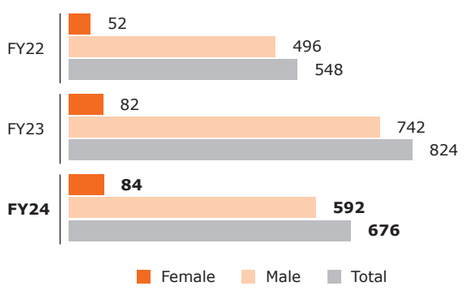


No. of New Hires

41 Owned/Leased Hotels



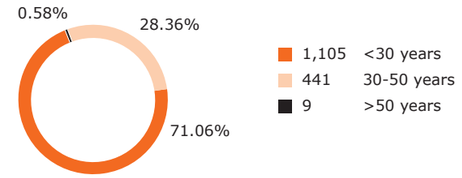
22 Managed hotels



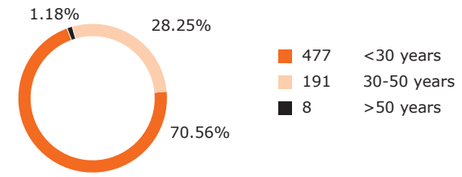
[67] For the entire network of owned/leased, managed/franchised hotels

New Hires in FY24 by Age Group (%)

41 Owned/Leased



22 Managed



Health Safety and Wellness

We have an Occupational Health and Safety (OHS) Management System in place that encompasses all our employees and hotels. Health and safety are our top priorities; we routinely identify potential work-related hazards and assess risks, including non-routine assessments. We strive for zero incidents and no occupational health hazards affecting our employees, contractors, guests, communities and the public. Our OHS Management System covers all our employees. We consistently identify potential work-related hazards and assess risks through non-routine assessments because health and safety are our top priorities. We are committed to ensuring that no occupational health hazards impact our employees, contractors, guests, communities or the public, as we aim for zero incidents.

SOCIAL

Focus Areas

- **Fire Safety:** To ensure fire safety, our hotels are equipped with fire safety equipment, including automatic smoke detectors, audible alarms, fire extinguishers and hydrants, portable firefighting equipment, emergency lighting and more.
- **Equipment Safety:** At our hotels, we have designated trained operators to ensure appropriate equipment handling. We have also established detailed safety procedures that authorised personnel must follow to ensure our equipment's proper use and maintenance.
- **Security:** In safeguarding the security of our employees, guests and other visitors, we have employed trained security personnel and installed search and monitoring equipment at all our hotels. Additionally, we have implemented comprehensive procedures for unified and consistent responses to any security threats and incidents that may arise at our hotels.
- **Sanitisation:** We ensure sanitisation by regularly wiping and cleaning all surfaces, including doorknobs, countertops, room keys, EDC machines and other general areas, to remove dust and eliminate harmful germs.
- **Food Safety:** We have a comprehensive Food Production Manual that outlines training requirements and procedures for all our employees involved in receiving, handling, storing, freezing, cooking, thawing, reheating, preserving and serving food. We ensure that the food and beverages prepared at our hotels are safe and healthy for our guests.
- **Promotion of Employee Health:** We prioritise employee wellness through health camps, smoking cessation programmes, dietary advice, mental health workshops and physical fitness programmes.
- **Community Well-being:** In our efforts to promote local economic development, we practice hiring locally and procuring from local sources, which helps contribute to better outcomes for the community.
- **Risk Management:** We regularly review health and safety hazards to identify, assess and manage them effectively. This approach includes implementing appropriate design and engineering controls, administrative measures, preventive maintenance and comprehensive safety training.

Hazard Identification and Mitigation

We have implemented an Incident Tracking System to detect potential hazards and proactively mitigate risks, emphasising our commitment to continuous hazard identification. We take immediate action on reported hazards and implement preventive measures to prevent incidents. We prioritise employee safety through comprehensive safety training and well-documented emergency response plans. Regular safety audits and risk assessments involve our employees in identifying areas for improvement, ensuring prompt addressing of potential hazards and minimising incident risks.

Health and Safety Governance

Our OHS standards, rules and procedures are overseen at the corporate level by our OHS Committee. We ensure each hotel has a local OHS Committee to guarantee compliance with regional regulations. These committees focus on identifying and prioritising mitigation actions based on incident analysis. Additionally, we ensure that every hotel has trained first-aid personnel to effectively handle the health needs of employees, guests and visitors.

In FY24, across the 41 owned/leased and 22 managed hotels covered under the scope of this report, 40% of full-time employees received training on health and safety measures, with 39% males and 48% females. This compares to FY23, when 62% of employees received such training, including 60% male and 64% female.

Zero
Health and safety-related incidents at our under-construction sites in FY24[68]

Zero
Cases of recordable work-related injuries[68]

Employees Receiving Training on Health and Safety Measures in FY24 (%)

	41 Owned/ Leased Hotels	22 Managed hotels
Male	32	49
Female	61	34
Total	**36**	**46**

Hotels Assessed in FY24(%)[68]

100
Health and safety practices

100
Working conditions

[68] For the entire network of owned/leased, managed/franchised hotels

Human Rights

We have implemented a Human Rights policy that establishes clear expectations for employees, business partners and third-party contractors, aligned with international standards such as the Universal Declaration of Human Rights (UDHR) and the International Labour Organization (ILO) Declaration. This approach underscores our commitment to upholding human rights as a core value across our operations. We actively raise awareness to combat human rights abuse and contribute to community enhancement. Our zero-tolerance approach addresses issues including sexual harassment, discrimination, child labour and any form of forced labour or exploitation. We proactively monitor our construction sites to prevent violations, misconduct, unfair treatment and workplace harassment affecting employees, including those affiliated with associations and unions.

Reported violations are thoroughly investigated by our vigilance officer to ensure the safety and well-being of all employees.

Within our workforce, 2% of our full-time employees are covered under Trade Unions while 1% are covered by collective bargaining agreements, for the entire workforce.

In FY24, our total workforce (across the 41 owned/leased and 22 managed hotels covered under the scope of this report) comprised 5,272 full-time employees. Of this total, 103 employees (93 male and 10 female) across owned/leased hotels are union members, while there are no employees from these 22 managed hotels are part of any trade unions/collective bargaining agreements.

Hotel Workforce Composition by Gender and Union in FY24

	Full-time Employees	Employees who are part of unions	Percentage (%)
Male	3,166	93	2.94
Female	460	10	2.17
Total	**3,626**	**103**	**2.84**

OUR HUMAN RIGHTS POLICY

Our Human Rights Policy reflects our commitment towards fostering a safe, inclusive and ethical work environment. It demonstrates our dedication to respecting, protecting and advancing human rights, which is integral to our corporate philosophy and values.

Guiding Principles

- **Employee Rights and Safety:** Creating a supportive work environment through extensive employee benefits and occupational health initiatives.
- **Discrimination and Harassment:** Zero-tolerance for misconduct and discrimination.
- **Diversity and Inclusion:** Highlighting equal opportunity employment and integrating organisational diversity and inclusion.
- **Child and Forced Labour:** Preventing child labour and ensuring adherence to age-specific regulations.
- **Anti-Corruption:** Denouncing corrupt practices with a Whistle-blower Policy to report concerns.
- **Community Engagement:** Collaborating with local communities by considering their perspectives and promoting employment opportunities, particularly for marginalised groups.

42%
Employees provided with human rights policy training[69]

Zero
Cases of sexual harassment[69]

Zero
Cases of discrimination[69]

Zero
Cases of child or forced labour[69]

[69] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

SOCIAL

Community Development

We are committed to giving back to society by addressing the essential development needs of underprivileged and marginalised communities. Through our strategic Corporate Social Responsibility (CSR) initiatives, we aim to enhance the lives of those in need, prompting positive change at the grassroots level.

Approach

We strive to support underprivileged and marginalised communities by addressing their essential development needs.

FY24 Performance

₹55.69 Lakhs
CSR spend by Lemon Tree Hotels and its subsidiary companies

Community Partnerships

We collaborate with specialised non-profit organisations to uplift underprivileged youth by enhancing their employment. Our longstanding partnerships include:

- Aasraa Trust
- Action for Ability and Inclusion (AADI)
- Action for Autism
- Muskaan PAEPID
- Noida Deaf Society
- Sai Swayam Society
- Sarthak Educational Trust

These relationships leverage over four decades of collective expertise in supporting local communities.

Environmental Stewardship

In alignment with our commitment to environmental responsibility, we:

- Organise tree planting events
- Conduct cleanliness drives near our properties
- Implement eco-friendly practices in our operations

These initiatives benefit extended-stay guests and underscore our pledge to foster a sustainable environment for all.

Customers

We strive to exceed expectations and deliver exceptional guest experiences to our diverse clientele, including business travellers, leisure guests, families, tourists, event attendees, wedding guests, food and beverage patrons and long-term residents. We provide tailored experiences to meet their specific preferences. Whether facilitating seamless business facilities, offering family-friendly amenities or organising memorable events, we aim to create unforgettable stays. Our recreational activities and sightseeing opportunities ensure our guests maximise their enjoyment and experience with us.

Approach

- **Guest Experience:**
  - Our approach is to exceed expectations and deliver exceptional guest experiences by providing tailored solutions that meet each guest's unique needs.
  - We promptly address any service issues or deficiencies, ensuring swift resolution and maintaining high standards of guest satisfaction.
  - We consistently enhance our services to meet and exceed customer satisfaction.
- **Sustainability:**
  We build awareness around sustainability with our guests and prioritise their involvement in our efforts.
- **Loyalty Programme:**
  Our loyalty programme seeks to boost guest loyalty and offer reasons for them to always come back to the brand.

FY24 Performance

13,72,871
Total customers[70]

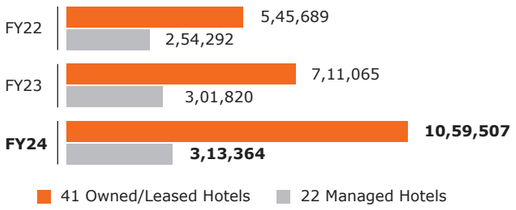
84%
Retail NPS[70]

17,62,548
Loyalty programme members[71]

[70] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report
[71] For the entire network of owned/leased, managed/franchised hotels in India

SOCIAL

Total Customers

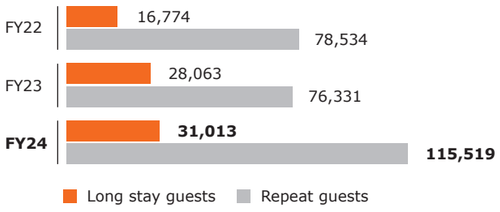


Ensuring Customer Satisfaction

We comprehensively focus on online reputation management (ORM). We are committed to promptly addressing any service issues or deficiencies through a structured process involving the hotel operations and ORM teams. Customer satisfaction is not just a metric for us - it is paramount.

In FY24, we witnessed an increase in our customer base for the 41 owned/leased and 22 managed hotels covered under the scope of this report, with a total of 13,72,871 customers compared to 10,12,885 in FY23.

Guest Stays[72]



84%
Retail NPS in FY24[72]

Customer Feedback Management

We consistently improve our services and ensure customer satisfaction by valuing feedback and carefully responding to guest comments, which is at the core of our business philosophy. We utilise diverse channels such as our Guest Satisfaction Tracking System (GSTS), online platforms like TripAdvisor and social media and online travel agencies (OTAs) such as Booking.com, Makemytrip.com and others, encouraging our guests to share feedback through any channel.
In our commitment to excellence, we prioritise acting on our guests' feedback at LTH. Our L&D team thoroughly investigates each negative and passive comment, reviewing the GSTS and online platforms using Root Cause Analysis. We focus on people and process-related factors to pinpoint the underlying cause of a particular issue. Adjusting our brand standards as needed by identifying recurring themes ensures unparalleled experiences for our customers. Promptly addressing issues, our L&D team offers re-briefing and targeted corrective training when necessary, while collaborating closely with hotel operations teams. The customers' voice shapes our journey, guiding us towards ongoing growth and genuine connections.

Driving Sustainability Through Guest Engagement Initiatives

We build awareness around sustainability with our guests and prioritise involving them in our efforts. We educate them about our waste management practices and their positive environmental impact through our communication channels. Our guest engagement programme includes water recycling posters in washrooms and encouraging guests to conserve water by opting not to change their linen daily through our third-day linen change initiative.
This approach empowers guests to contribute to preserving this depleting resource during their travels. Across our restaurants, the half-glass water initiative is often recognised by our guests through feedback and social media posts and they express their happiness with our water-saving efforts.

Case Study

COMMITMENT TO SAFETY AND PRIVACY

In FY24, there have been no incidents of non-compliance related to health and safety impacts in our operations, nor any substantiated complaints concerning breaches of customer privacy or data losses.

[72] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report

Loyalty and Rewards Programme

Our loyalty programme aspires to enhance guest loyalty and create memorable experiences, offering exclusive benefits and privileges to our regular guests. Members enjoy special offers and personalised services and earn reward points with each stay, ensuring seamless service and delightful perks. Through regular e-mails and newsletters, we keep our guests informed about hotel launches, new services and periodic offers.

17,62,548
Loyalty programme members[73]

Case Study

COMMITMENT TO QUALITY: AN IN-DEPTH LOOK AT OUR AUDIT INITIATIVE

In December 2023, we launched the quality audit initiative as a critical customer engagement activity to ensure our services and amenities consistently meet established brand standards for excellence, consistency and guest satisfaction. This comprehensive audit uses a detailed checklist to assess multiple departments, including the Front Office, Housekeeping, Food and Beverage Service, Kitchen, Human Resources and Maintenance and Security. Conducted over two days, the audit reviews and observes processes and standards three or four times. The Hotel General Manager and relevant heads of departments accompany the assessor to understand the audit process and his/her observations. At the end of the audit, we debrief the entire corporate leadership team and publish a detailed pictorial report for the corporate and hotel teams. We discuss recommendations and action plans and implement them to ensure continuous improvement. Each Hotel General Manager also conducts a self-audit of his/her hotel once a quarter. Since its launch, we have carried out this initiative across nine hotels in New Delhi, Gurugram and Noida and it is continuing to be an ongoing effort. This quality audit initiative represents a systematic approach to maintaining high standards across all aspects of hotel operations, involving both corporate oversight and regular self-assessment by hotel management to ensure continuous monitoring and enhancement of service quality.

[73] For the entire network of owned/leased, managed/franchised hotels

SOCIAL

Ethical Supply Chain Management

We maintain a Supplier Code of Conduct that guides our commitment to a responsible and sustainable supply chain, exceeding conventional standards. Aligned with our corporate values, it ensures that suppliers embrace sustainability and adhere to international standards such as the International Labour Organisation (ILO) and the Universal Declaration of Human Rights (UDHR), incorporating global best practices. The Code mandates compliance with environmental regulations, health and safety standards, labour practices, human rights, minimum wages, freedom of association, ethical conduct and transparent business processes. It applies universally to our suppliers, vendors and service providers.

Approach

- **Community and Local Economy:** We build awareness around sustainability with our guests and prioritise their involvement in our efforts.
- **Sustainable Supply Chain:** We strive to create a responsible and sustainable supply chain.

FY24 Performance[74]

19,924
Local suppliers

98%
Sourcing from local suppliers

20,366
Active suppliers

[74] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report.

Suppliers Guiding Principles

The principles outlined in the LTH Code guide our suppliers' business operations. Furthermore, we encourage them to establish specific environmental, social and governance (ESG) objectives that align with our Code.

Ethics and Governance
- Legal compliance
- No conflict of interest
- Anti-corruption
- Record keeping
- Workers' grievance

Human Rights
- Prohibition of child labour
- Anti-human trafficking
- Fair wages
- Decent working hours
- Anti-discrimination

Occupational Health and Safety
- Safe working conditions
- Fire safety
- Worker training

Environmental sustainability

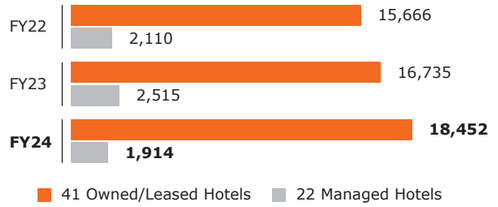
Obtain and maintain all necessary environmental permits and licenses per applicable national, state and local laws

Local Procurement

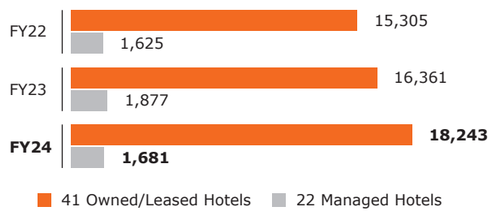
In FY24, the number of active suppliers increased to 20,366, up from 19,250 in FY23. Of these, 19,924 are local suppliers, which represents approximately 97.8% of the total. This focus on local partnerships enables us to significantly contribute to community growth, support the local economy and reduce our ecological impact. Embracing local suppliers allows us to create jobs, offer unique products and reinforce connections within the business ecosystem, demonstrating our commitment to both sustainability and community development.

98%
Sourcing from local suppliers[75]

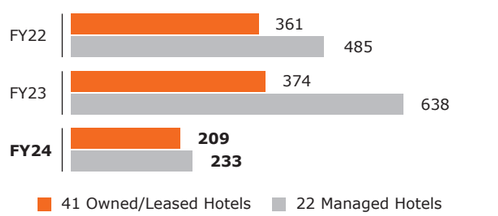
No. of Active Suppliers



No. of Local Suppliers



No. of National Suppliers



[75] For the 41 owned/leased hotels and 22 managed hotels covered in the scope of this Integrated Report.

AWARDS AND RECOGNITIONS

Celebrating Our Success

Indian Green Building Council (IGBC) Green Building Certification

14 owned/leased hotels have been certified Gold

Tourism for Tomorrow Awards 2019

Investing in People Award at the Tourism for Tomorrow Awards, organised by the World Travel and Tourism Council in Seville, Spain

TripAdvisor Traveller's Choice Awards 2023[76]

72 out of 84 eligible hotels were honoured with the Traveller's Choice Award by TripAdvisor. This includes 2 Aurika Hotels and Resorts, 14 Lemon Tree Premier properties, 37 Lemon Tree Hotels, 10 Red Fox Hotels, 1 Keys Prima by Lemon Tree Hotels and 8 Keys Select by Lemon Tree Hotels.

Green Champion Award 2018

Green Champion Award under the category 'Organization Leading the Green Building Movement in India (Commercial)', organised by Indian Green Building Council (IGBC)

Great Place to Work® Awards 2023

- Top 50 India's Best Companies To Work For™ by Great Place To Work®
- India's Best Workplaces in Diversity, Equity, Inclusion and Belonging (large); Top 100 (large) Best India's Workplaces for Women; Accreditation for Inclusive Practices™ by Great Place To Work®

Boldness in Business Award 2018

Financial Times Arcelor Mittal Boldness in Business Award for Corporate Responsibility/Environment

Asian Human Capital Award 2015

Innovative and Impactful People Practices, presented by the Ministry of Manpower, Singapore and the Human Capital Leadership Institute.

World Responsible Tourism Award 2016, WTM® London

- Overall Winner World Responsible Tourism Award
- Gold Winner 'Best Accommodation for Responsible Employment'

Ministry of Social Justice and Empowerment, Government of India

- Best Employer – National Award 2016, received from the President of India
- Outstanding Work in the Creation of a Barrier-free Environment for Persons with Disabilities 2012
- Best Employer – National Award 2011

NCPEDP (National Center for Promotion of Employment for Disabled People) Awards

- NCPEDP Helen Keller Award 2017 for Role Model Companies
- NCPEDP Shell Helen Keller Award 2012: Category B for Role Model Non-Disabled Individuals in promoting employment opportunities for People with Disabilities
- NCPEDP Shell Helen Keller Award 2012: Category C for Role Model Organizations in promoting employment opportunities for People with Disabilities
- MphasiS Universal Design Award 2011 by NCPEDP
- NCPEDP Shell Helen Keller Award 2010 for exemplary beliefs and practices in employing Differently Abled People

Other Accomplishments

Meaningful Business 100 (MB100) 2022

Winner

FICCI Travel and Tourism Excellence Awards 2019

Best Differently Abled Friendly Hotel

AajTak Care Awards 2013

Empowerment/CSR (Corporate Social Responsibility)

Dr. Anji Reddy Memorial Award 2017

Model Employer for Persons with Disabilities

NASSCOM Award 2015

Corporate (responsible business) for creating visual aids with sign language for differently abled employees

Nipman Foundation 2014

Equal Opportunity Award

BW Pure Award 2019

Purpose-Led Brand Award

BW Hotelier Editor's Choice Award 2016

Equal Opportunity Employer

BW Hotelier HR Excellence Award 2015

Equal Opportunity Employer

HR Innovation Award 2016

Excellence in Diversity and Inclusion

Schneider Electric 2019

Best Responsive Company Award

Amity School of Science and Technology 2019

Corporate Excellence Award for Best CSR Practices

[76] For the entire network of owned/leased, managed/franchised hotels in India.

GRI Content Index

Statement of Use	**Lemon Tree Hotels Ltd.** has reported with reference to the GRI Standards for the period between 1st April 2023 to 31st March 2024.
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Applicable GRI Sector Standard(s)	None

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	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Rights Business Responsibility and Sustainability Report	81 193
GRI 413: Local Communities 2016	3-3 Management of material topics	Community Development	82
	413-1 Operations with local community engagement, impact assessments and development programmes	Business Responsibility and Sustainability Report	203
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Ethical Supply Chain Management	86
	414-2 Negative social impacts in the supply chain and actions taken	Business Responsibility and Sustainability Report	193
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Corporate Governance	27
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Business Responsibility and Sustainability Report	205

Annexure

This annexure outlines the inventory from the Lemon Tree portfolio that has been covered in this reporting period.

Owned/Leased Hotels

	Hotel Name	City	State	Country
1	Lemon Tree Hotel, Udyog Vihar	Gurugram	Haryana	India
2	Lemon Tree Premier, City Center, Gurugram	Gurugram	Haryana	India
3	Lemon Tree Amarante Beach Resort, Goa	Goa	Goa	India
4	Lemon Tree Hotel, Hinjawadi, Pune	Pune	Maharashtra	India
5	Lemon Tree Hotel, Indore	Indore	Madhya Pradesh	India
6	Lemon Tree Hotel, East Delhi Mall, Kaushambi	Kaushambi/Ghaziabad	Uttar Pradesh	India
7	Lemon Tree Hotel, Aurangabad	Aurangabad	Maharashtra	India
8	Lemon Tree Vembanad Lake Resort, Alleppey, Kerala	Muhamma (Kerala)	Kerala	India
9	Lemon Tree Hotel, Ahmedabad	Ahmedabad	Gujarat	India
10	Lemon Tree Hotel, Chennai	Chennai	Tamil Nadu	India
11	Lemon Tree Hotel, Electronics City, Bengaluru	Bengaluru	Karnataka	India
12	Red Fox Hotel, Jaipur	Jaipur	Rajasthan	India
13	Red Fox Hotel, East Delhi	Delhi	New Delhi	India
14	Lemon Tree Premier-1, Leisure Valley, Gurugram	Gurugram	Haryana	India
15	Lemon Tree Premier, Ulsoor Lake, Bengaluru	Bengaluru	Karnataka	India
16	Red Fox Hotel, Hyderabad	Hyderabad	Telangana	India
17	Lemon Tree Premier, HITEC City, Hyderabad	Hyderabad	Telangana	India
18	Lemon Tree Hotel, Chandigarh	Chandigarh	Punjab/Haryana	India
19	Lemon Tree Hotel, Whitefield, Bengaluru	Bengaluru	Karnataka	India
20	Red Fox Hotel, Delhi Airport	Delhi	New Delhi	India
21	Lemon Tree Premier, Delhi Airport	Delhi	New Delhi	India
22	Lemon Tree Hotel, Gachibowli, Hyderabad	Hyderabad	Telangana	India
23	Lemon Tree Hotel, Candolim, Goa	Goa	Goa	India
24	Lemon Tree Wildlife Resort, Bandhavgarh	Bandhavgarh	Madhya Pradesh	India
25	Lemon Tree Premier-2, Leisure Valley, Gurugram	Gurugram	Haryana	India
26	Lemon Tree Hotel, Sector 60, Gurugram	Gurugram	Haryana	India
27	Red Fox Hotel, Sector 60, Gurugram	Gurugram	Haryana	India
28	Lemon Tree Hotel, Banjara Hills, Hyderabad	Hyderabad	Telangana	India
29	Red Fox Hotel, Dehradun	Dehradun	Uttarakhand	India
30	Lemon Tree Premier, City Center, Pune	Pune	Maharashtra	India
31	Lemon Tree Premier, Mumbai International Airport	Mumbai	Maharashtra	India
32	Lemon Tree Premier, New Town, Kolkata	Kolkata	West Bengal	India
33	Aurika, Udaipur	Udaipur	Rajasthan	India
34	Keys Select by Lemon Tree Hotels, Thiruvananthapuram	Thiruvananthapuram	Kerala	India
35	Keys Select by Lemon Tree Hotels, Hosur Road, Bengaluru	Bengaluru	Karnataka	India
36	Keys Select by Lemon Tree Hotels, Whitefield, Bengaluru	Bengaluru	Karnataka	India
37	Keys Select by Lemon Tree Hotels, Kochi	Kochi	Kerala	India
38	Keys Select by Lemon Tree Hotels, Ludhiana	Ludhiana	Punjab	India
39	Keys Select by Lemon Tree Hotels, Pimpri, Pune	Pune	Maharashtra	India
40	Keys Select by Lemon Tree Hotels, Visakhapatnam	Visakhapatnam	Andhra Pradesh	India
41	Aurika, Mumbai Skycity	Mumbai	Maharashtra	India

Managed Hotels

	Hotel Name	City	State	Country
1	Lemon Tree Premier, Jaipur	Jaipur	Rajasthan	India
2	Lemon Tree Premier, The Atrium, Ahmedabad	Ahmedabad	Gujarat	India
3	Lemon Tree Hotel, Dehradun	Dehradun	Uttarakhand	India
4	Lemon Tree Hotel, Shimona, Chennai	Chennai	Tamil Nadu	India
5	Lemon Tree Hotel, Vadodara	Vadodara	Gujarat	India
6	Lemon Tree Hotel, Tarudhan Valley, Manesar	Manesar	Haryana	India
7	Lemon Tree Hotel, Katra	Katra	Jammu & Kashmir	India
8	Red Fox Hotel, Tiruchirappalli	Tiruchirappalli (Trichy)	Tamil Nadu	India
9	Red Fox Hotel, Bhiwadi	Bhiwadi	Rajasthan	India
10	Sandal Suites, operated by Lemon Tree Hotels, Noida	Noida	Uttar Pradesh	India
11	Lemon Tree Hotel, Gangtok	Gangtok	Sikkim	India
12	Lemon Tree Hotel, Alwar	Alwar	Rajasthan	India
13	Lemon Tree Premier, Patna	Patna	Bihar	India
14	Lemon Tree Premier, Corbett	Jim Corbett	Uttarakhand	India
15	Lemon Tree Hotel, Coimbatore	Coimbatore	Tamil Nadu	India
16	Lemon Tree Hotel, Sohna Road, Gurugram	Gurugram	Haryana	India
17	Lemon Tree Hotel, Siliguri	Siliguri	West Bengal	India
18	Lemon Tree Hotel, Jammu	Jammu	Jammu & Kashmir	India
19	Lemon Tree Hotel, Srinagar	Srinagar	Jammu & Kashmir	India
20	Lemon Tree Hotel, Baddi	Baddi	Himachal Pradesh	India
21	Lemon Tree Hotel, Lucknow	Lucknow	Uttar Pradesh	India
22	Lemon Tree Hotel, Viman Nagar, Pune	Pune	Maharashtra	India

Assurance Statement

Felix Advisory Private Limited

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StrictlyPrivate&Confidential

To the Board of Directors,
Lemon Tree Hotels Limited,
Asset No.6, Aerocity Hospitality District, New Delhi,
Delhi-110037

Subject: - Independent Assurance Statement on sustainability disclosures in the Integrated Report

Lemon Tree Hotels Limited (*hereafter 'LTH'*) has developed its **Integrated Report 2023-24** (*hereinafter 'the Report'*) for the period April 1, 2023, to March 31, 2024, based on the applicable accounting standards and has incorporated the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC) and Global Reporting Initiative (GRI) Standards. This assurance engagement was conducted in accordance with ISAE 3000 (Revised) - "Reasonable Level".

Felix Advisory Private Limited (*hereafter "Assurance Company"*) was engaged by LTH to provide independent assurance on its sustainability disclosures in the Report that includes the Company's sustainability performance for the period 1st April 2023 to 31st March 2024.

Management'sResponsibility

LTH has developed the Report's content. LTH management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report *(web- based and print)*, including website maintenance, integrity, and for ensuring its quality and accuracy in accordance with the applied criteria stated in the <IR> framework and GRI standards, such that it's free of intended or unintended material misstatements.

Assurance Standard

This assurance statement has been prepared in accordance with the terms of our engagement and ISAE 3000 (revised) requirements. We applied a moderate level of assurance while performing the verification.

Scope and Boundary

The scope of work includes the assurance of following non-financial performance / KPI disclosed in the Report with respect of Owned/Leased Hotels. In particular, the engagement included the following:

- Review of the disclosures submitted by LTH.
- Review of the quality of information.
- Review of evidence *(on a sample basis)* for identified non-financial indicators

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Assurance Company has verified the following KPI's disclosed in the Report: -

GRI 302:	Energy	302-1 to 302-5
GRI 303:	Water and effluents	303-1 to 303-5
GRI 304:	Biodiversity	304-1 to 304-4
GRI 305:	Emissions	305-1 to 305-7
GRI 306:	Waste (2016)	306-2 to 306-4
GRI 307:	Environmental Compliance	307-1
GRI 401:	Employment	401-1 to 401-3
GRI 403:	Occupational Health and Safety	403-1 to 403-10
GRI 404:	Training &Education	404-3
GRI 405:	Diversity and Equal Opportunity	405-1

Additionally, we have assured the financial values being represented in the report with respect to Total Income by business, Operating profit, Profit before tax, Profit after tax, EBITDA, Earning per share, cost of borrowing, Debt Ratios and Profit ratios; quantity of retired IT assets; Guest aspects related to repetition, long stay and satisfaction; compliance of SEBI & Stock exchange with respect to no fine & penalties; data points related to Board Members, Board Meetings, gender diversity and work tenure. This data is in addition to above listed GRI standards.

Limitations

The Assurance Company did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report, nor on any data or information pertaining to periods outside the defined reporting period *(i.e., 1st April 2023 to 31st March 2024)*. Therefore, no assurance or conclusion is provided on these aspects.

Additionally, the Assurance Company notes the non-availability of cost data related to parameter "People (GRI 404-1): Average cost of training per employee" under the Social Tab. As a result, there is no assurance provided regarding this parameter.

During the assurance process, the Assurance Company did not encounter any other limitations to the agreed scope of the engagement. The Assurance Company expressly disclaims any liability or co-responsibility for decisions made by any person or entity based on this Assurance Statement.

Our Responsibility

Responsibility in relation to this engagement was to perform agreed level of assurance based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of LTH's strategy, management of sustainability-related issues or the sufficiency of the Report against principles of IIRC Integrated Reporting (<IR>), GRI Standards, and ISAE 3000, other than those mentioned in the scope of assurance.
Responsibility regarding this verification is in accordance with the agreed scope of work which includes financial/non-financial quantitative information disclosed by LTH. This assurance engagement assumes that the data and information provided to us by LTH are complete and true.

ASSURANCE STATEMENT

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Verification Methodology

During the assurance engagement, assurance company adopted a risk-based approach, focusing on verification efforts with respect to disclosures and verified the same. We assessed the robustness of the underlying data management system, information flows, and controls. While performing the assurance, we

- Examined and reviewed the documents, data, and other information made available by LTH for non-financial KPI's (non-financial disclosures);
- Conducted interviews with key representatives, including data owners and decision- makers from different functions of LTH.
- Performed sample-based reviews of the mechanisms for implementing the sustainability- related policies and data management *(qualitative)*.
- Reviewed the level of adherence to principles of "The <IR> Framework", GRI standards

Our assurance team and independence

Assurance company is a professional services firm providing services in Advisory, Assurance, Tax and Business Services, to both domestic and international organisations across industry sectors. This team comprises of multidisciplinary professionals and has extensive experience in conducting independent assurance of processes across sectors and geographies. As an assurance provider, we are required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards.The sustainability disclosures of Company as defined under the scope of assurance are reliable. The Company has applied considerable efforts to ensure consistency of data for this Report; however, the Company may continue to improve robustness of its data collection and collation process

Based on the scope of our review, our conclusions are outlined below:

- **Inclusiveness**: We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with key stakeholder groups. The Company transparently disclosed its stakeholder engagement approach and activities in the Report.
- **Materiality**: We noted that the Company has listed the material topics in the Report. Nothing has come to our attention that causes us to believe that any material topic has been excluded from the Report of the Company.

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- **Responsiveness**: We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle for dealing with stakeholders *(such as customers, suppliers, and local communities)* on material topics covering its sustainability performance, including climate related risks and opportunities.
- **Impact**: We are not aware of any matter that would lead us to believe that the Company does not monitor and measure and is not accountable for how their actions affect their stakeholder universe.
- **Reliability of sustainability performance information**: We have reviewed the sustainability information in the Report based on the outlined scope wherein nothing has come to our attention that causes us not to believe that the data has been presented fairly, in material respects, inkeeping with the <IR> Framework and the Company's reporting principles and criteria.

For Felix Advisory Private Limited

Prashant Sharma
Authorized Signatory
Date: - 22 -August -2024
Place: - Delhi

CIN:- U74140DL2013PTC248762

Lemon Tree Hotel, Sonmarg

Management Discussion and Analysis

Introduction and Macroeconomic view of Indian Tourism

FY24 was pivotal for the Indian hospitality sector as it continued to grow fuelled by favourable demographics, robust domestic demand, increased investments and hosting international events. Despite the slowdown in the world economy due to rising interest rates, elevated inflation, monetary policy tightening and the geopolitical conflict between certain countries, the Indian hospitality sector showed massive resilience and grew further from the previous year. This resurgence is highlighted by significant strides in key performance metrics, with the sector rebounding from the clutches of the pandemic and laying a strong foundation for sustained future growth. As the government invests more into infrastructure development, building roads, railway networks and airports, the Indian hospitality industry will grow and thrive as one of the most important sectors contributing to the GDP of the country.

The contribution of the tourism and travel industry to GDP for India is expected to be $512 billion by 2028 with 53 million new jobs by 2029[77].Historically, there has been high correlation between increase in foreign tourist arrivals and hotel occupancies. According to the Ministry of Tourism, Foreign Tourist Arrivals (FTAs) in India in CY23 were 92 Lakhs, with a positive growth rate of 49% as compared to 61 Lakhs in CY22, and was 15% lower compared to CY19. With FTAs increasing every month and nearing pre-COVID levels, there is further room for occupancies to rise in the hospitality industry and surpass pre-COVID levels. The total air traffic in CY23 grew by 26% over CY22 due to the increase in domestic and international air traffic, which increased by 24% and 36% over CY22 respectively[78]. This surge in traffic can be attributed to the hosting of international events such as the G20 summit and the ICC Men's World Cup, which increased the visibility of the country in the international stage and set the industry up for sustained growth in the future.

Before the pandemic, the travel and tourism industry accounted for 1 in 4 of all net new jobs created across the world (direct and indirect), which had reduced drastically during the COVID-19 lockdown. The industry is now moving towards hiring of diverse talent and upskilling existing employees to overcome the manpower crunch amid a post-COVID boom in hotel demand. A positive outlook for the Indian hospitality industry has been projected, which is set to grow at 8.4% over the next decade and generate a further 19.4 million jobs in the process[79].

[77] Invest India Sector Snapshot
[78] Airport Authority of India, Ministry of Tourism, HVS India Hospitality Industry Overview, 2023
[79] WTTC, Economic Impact Forecast Research

Travel and tourism remains an important driver for job creation across the world and a dynamic engine of employment opportunities[80]

330 million jobs*

1/10
OF ALL JOBS

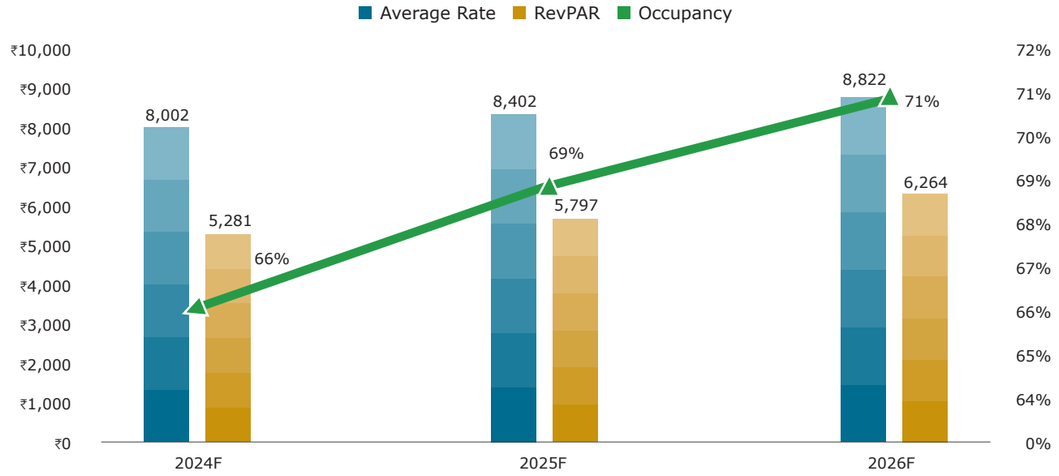
1/4
OF ALL NET NEW JOBS OVER THE LAST FIVE YEARS

* Source: WTTC Research, Economic Impact

Industry Outlook

FY24 has been a game-changer for the Indian hospitality industry. India's G20 presidency and the ICC Men's World Cup enhanced India's international visibility and placed it as a destination for hosting international events. The development of big convention centres like Pragati Maidan and Yashobhoomi International Convention Centre in New Delhi and the Jio World Convention Centre in Mumbai have positioned India as a country for hosting large-scale corporate events. The government is dedicated to making India a top 5 global tourist destination by 2030 and aims to catapult the country into a $1 trillion tourism economy by 2047.

Indian Hotel Sector: Performance Outlook[81]



Furthermore, industry reports anticipate the following trends in the years ahead

- While global hotel operators increasingly **adopt contactless check-in**, India lags due to high initial investment costs for the technology. However, to mitigate delays and guest frustration from manual procedures, it is crucial that Indian hotels embrace contactless check-ins.
- Technology will help augment the overall guest experience and improve guest satisfaction as the hospitality industry embraces the use of **artificial intelligent and machine learning, which will enable hyper-personalisation** along with better and faster data-driven insights.

[80] WTTC Research, Economic Impact
[81] HVS Anarock, India Hospitality Industry Overview, 2023

Tangerine Terrace at Lemon Tree Hotel, McLeod Ganj

- **New regions and segments** have emerged that will help create significant growth to tourism in India. Kashmir and the North Eastern states have shown substantial growth due to an increase in tourist footfalls in these regions, owing to the unique cultural and natural heritage. Faith tourism is another segment where cities like Amritsar, Varanasi, Rishikesh, Katra, Kedarnath, Ujjain, Ayodhya and Tirupati will benefit immensely from the **surge in spiritual and religious tourism**.
- Bleisure travel is gaining popularity in India, with a significant number of **Indian business travellers extending their trips for leisure purposes**. As international business travel and MICE events return, there is a growing opportunity for the hotel sector to cater to this trend by offering special packages and incorporating leisure elements into the guest experience, which will foster loyalty amongst corporate travellers.
- In India, hotel development was traditionally focused on business destinations due to the dominance of corporate travellers. However, there is now a **shift towards boutique hotels and lifestyle brands** to cater to the growing demand of experiences by the customer, rather than just a hotel with a huge lobby and spacious rooms. Luxury wellness resorts are transforming beyond spa and fitness experiences to incorporate personalised and culturally enriching wellness programs, along with cutting-edge therapies such as light & sound therapies and touchless treatments.
- As income levels rise in India, the young millennial population of India will play a crucial role in **expanding the wedding market**. Due to its rich natural heritage of mountains, deserts and beaches and the cultural heritage such as palaces, forts and luxury resorts, India has the potential to be a leader in the global wedding tourism sector.
- The Indian hotel industry is urged to expand sustainability initiatives beyond operational practices to address environmental concerns and change public perception. Incorporating green technologies and resources in hotel construction for **net zero consumption and employing gig workers while promoting multi-skilling among employees** can optimise costs, enhance efficiency, and improve the overall competitiveness of the tourism and hospitality industry.

Key Demand Drivers

Business Travel

Business travel comprises inbound and domestic visits for business-related purposes. This includes travel on corporate accounts, MSME, and individual business travelers. This segment is a predominant source of demand for hotels located in business-oriented locations such as Delhi NCR, Bengaluru, Hyderabad, Pune and Mumbai. Even though corporate demand remains subdued, relative to pre-COVID levels, due to demand from large tech companies not fully returning, FY24 saw good MSME travel rebound and extensive corporate travel from other industries.

Leisure Travel

Leisure travel comprises vacation travel, including short-duration vacations. Greater affordability, changing attitudes towards lifestyle, and improved road and air connectivity have materially encouraged short-stay vacations, including those taken on weekends and extended weekends. Leisure travel demand will primarily be in destinations like Goa, Udaipur, Jaipur, Dehradun, etc. Business-oriented locations also attract staycation business over the weekend or even leisure business if the city is also a tourist destination, like Delhi NCR. FY24 saw continued demand for leisure travel and travel to drivable destinations. In the long term as people's income rise the demand for leisure travel will grow exponentially as people increase their discretionary spends and spend more on experiences and lifestyle brands.

MICE Demand

The MICE segment is mainly corporate drive, i.e. conferences, training programmes, and other events that are customer-facing and interactive. The demand tends to arise during the working week and occurs across all months of the year, barring the main holiday periods and the months from March through June. MICE demand tends to come with price sensitivity. Hotels in predominantly business locations will generate MICE demand for training and corporate seminars, which could be a day or residential events. Conferences that include recreational elements choose city-centre locations and resort destinations. FY24 has seen high demand in the MICE business due to the hosting of multiple international events in the country.

Weddings and Social Travel

Weddings and social travel mainly involve domestic travel for family weddings, destination weddings, and other family celebrations like anniversaries or birthdays. Such demand will likely gravitate to hotels that have the required function areas, guest room capacity, and also the quality to host such events at a level consistent with the status of the host. In FY24, India witnessed a record growth in weddings. To give perspective, ~3.8 million weddings took place between 23rd November and 15th December, 2023, up from ~3.2 million weddings in the same period last year[82].

Airlines and Airline Crew

This demand set helps create a core of demand for hotels, albeit at significantly discounted pricing. Crew demand could arise from international and domestic carriers. While the major international airlines will use upper-tier hotels, more price-sensitive airlines are open to using upper-midscale hotels. This demand is relatively nominal and mainly occurs at hotels that are closer to the airports. This segment witnessed sustained demand and is set for further growth as airline companies expand operations in India.

Transit Demand

Travellers in overnight transits between cities also need to use hotel accommodation, which is typically located close to the point of the onward journey. Transit demand could occur on the inward and outward leg of international travel between cities connected through a regional hub.

Growth in Supply by City

According to Hotelivate Trend & Opportunities Report, 2023, the midmarket and upper midmarket hotels are favoured by investors with 55% of the existing proposed supply under these segments. An increasing number of hotel developers and operators are exploring opportunities in the Tier 3 markets (~44% of the proposed future supply), identifying the unaccommodated demand in these cities and entering virgin markets. Additionally, North and West India continue to be the preferred locations for hotel development with about 73% of the proposed supply, while Mumbai is the city with the most proposed supply over the next 5 years.

[82] HVS India Hospitality Industry Overview, 2023

Lemon Tree Premier, New Town, Kolkata

The following table sets forth the growth of supply (no. of rooms) across major cities[83]

Market	2023 (Existing Rooms)	2028 (Projected Rooms)
Agra	2,231	3,487
Ahmedabad	4,350	5,787
Amritsar	1,808	3,795
Bengaluru	15,351	19,709
Chandigarh	2,791	3,081
Chennai	9,761	10,491
Dehradun	803	1,867
Goa	8,805	11,967
Gurugram	6,662	8,358
Hyderabad	7,465	8,671
Jaipur	6,557	9,898
Kochi	2,677	3,180
Kolkata	5,028	6,316
Lucknow	1,902	3,526
Mumbai	13,718	18,384
Navi Mumbai	1,222	2,048
New Delhi	14,917	16,544
Noida	1,649	3,209
Pune	6,789	7,517
Udaipur	2,122	3,628
Other Cities	49,104	84,855

Barriers to Entry

The development of hotels in India faces several roadblocks, the most challenging among those are

Land: Availability of land at an appropriate location and the high cost of available land create limitations on hotel development and viability. Limited development rights and end-use restrictions on available sites create further challenges. Shortage of prime real estate in Tier 1 cities, which are preoccupied by well established brands, is a huge barrier of entry for new entrants.

Regulatory Approvals: Hotels require several approvals and licenses starting from land approval for end-use to the opening of the hotels. The process of obtaining approvals is time-consuming and uncertainties associated with it led to delays in the opening of hotels. Project delays lead to cost escalation, difficulty in servicing the debt obligations, and sometimes impact the project quality. Furthermore, compliance with local zoning laws and land use regulations is essential, which can vary significantly across different states and municipalities.

Financing and Capital Requirement: In the backdrop of several hotel projects which are in debt default, bankers are extremely selective in providing development finance for hotel projects.

Further, interest rates tend to be high. In addition, hotel projects require sizeable equity capital for project development and to meet cash shortfalls during operations. Shortage of suitable equity capital is a significant constraint towards the development of hotels, particularly a portfolio of assets or hotels with a large inventory of rooms and other facilities. Further, an increase in interest rates poses a threat to the expansion plans of the hotel developers as the cost to fund new projects goes up.

Competitive Barriers: The presence of well-established domestic and international hotel chains makes it difficult for new entrants to compete, especially in prime locations. Furthermore, established brands enjoy strong customer loyalty, making it challenging for new hotels to attract and retain customers round the year.

Key Risks to the Business

Seasonality Risk

Seasonality is a significant risk factor for the hospitality industry in India, impacting various aspects of hotel operations and profitability. The seasonal nature of tourism affects occupancy rates, revenue generation, and overall business stability. Leisure hotels experience peak seasons during holidays, festivals, auspicious wedding periods and favourable weather conditions, while off-peak seasons see a slight drop in visitor numbers and relatively lower room rates from the peak season. This leads to fluctuating demand, making it challenging to maintain consistent RevPAR throughout the year. Business hotels experience peak demand during the weekdays when business travel is robust while the same reduces during the weekends which again leads to fluctuating demand.

- **Mitigation:** Lemon Tree has a diverse portfolio of 100+ business and leisure hotels with presence in 65+ cities. The diversification allows Lemon Tree to capture various demand segments of both business and leisure travellers. To solve for the seasonality of the business Lemon Tree takes various steps of minimising the risk such as dynamic pricing, semi-annual contracting with leading corporates for its business hotels, leveraging its strong loyalty programme and running targeted marketing campaigns for high-intent travellers.

Economic and Industry Risk

A slowdown in India's economic growth could hurt the hospitality business, affecting both operational and financial performance. India's GDP has grown at a good pace in the past quarters and may find it difficult to sustain the same growth owing to international slowdown and geopolitical risks. An increase in power and fuel costs pose a huge threat to the hospitality industry. As prices for airline tickets rise, it may affect Lemon Tree Hotels due to its strong presence in the mid-market category which has price-sensitive customers. A rise in procurement costs due to an increase in the price of commodities might pressure the expenses of the Company and might take a further hit in case of a high inflationary environment.

- **Mitigation:** Lemon Tree receives about ~85% of its business from domestic travellers. The Company has been able to build a strong brand name, which is synonymous with quality and trust. The expanded brand portfolio with 7 brands now addresses a wider spectrum of hotel consumers. As the leader of the mid-priced hotel segment, the Company's goals are aligned with the aspirations of the expanding middle class. In FY24, the Company focused on increasing RevPAR in line with increasing demand to maximise profitability. Leveraging its network effect and an agile sales network, Lemon Tree Hotels has been able to maintain a leading position in the industry. Along with this, our team focused on bringing in operational efficiencies by rationalising all cost and operating metrics, to achieve the EBITDA expansion strategy. We have made material effort to bring down our raw material costs by negotiating with suppliers. Lemon Tree also undertakes constant renovation of its hotels to keep up with market standards and provide a high-quality product and service to its customers. All efforts combined, we have been able to record high hotel-level operating profits at the group level. With our leaner structure and improved operating metrics, we are well-positioned to register better operating margins on a stable basis.

Sandal Suites, operated by Lemon Tree Hotels, Noida

Financial Risk

Being a capital-intensive industry, players in the industry who are leveraged may find a challenge servicing their interest and principal repayment obligations if interest rates keep rising. Inflation is another key risk as high costs of procuring raw materials will put pressure on the P&L and might force companies to further borrow to meet working capital needs.

- **Mitigation:** Lemon Tree Hotels' focus on optimising costs and focus on growing in an asset-light way by leveraging its brand to manage and franchise third-party-owned hotels is a key risk mitigator. Due to stable EBITDA margin generation and access to unutilised credit lines (in case needed), Lemon Tree is able to meet its financial obligations with ease and on time. The Company also has a detailed risk mitigation and business continuity plan in place in case of black swan events to help it meet its debt obligations.

[83] Hotelivate, Trends & Opportunities 2023 Indian Hospitality report

Operating Results

₹ in Lakhs

Particulars	Year Ended March 31, 2024 (Audited)	March 31, 2023 (Audited)	% change
INCOME			
Revenue from operations	1,07,112	87,499	22%
Other Income	564	358	58%
Total income	**1,07,676**	**87,857**	**23%**
EXPENSES			
Cost of food and beverages consumed	6,278	4,990	26%
Employee benefit expenses	18,775	14,973	25%
Other expenses:			
- Power and fuel	7,805	6,871	14%
- Stamp duty expense	-	478	(100%)
- Others	21,930	15,429	42%
Total expenses	**54,788**	**42,742**	**28%**
Profit before depreciation and amortization, finance cost, finance income and tax	**52,888**	**45,114**	**17%**
Finance cost	20,847	18,235	14%
Finance income	(685)	(517)	32%
Depreciation and amortization expense	11,213	9,660	16%
Net Profit before tax and share of associates	**21,513**	**17,737**	**21%**
Add: Share of Profit/(loss) of associates	**70**	**87**	**(19%)**
Profit before tax	**21,583**	**17,824**	**21%**
Tax expense:			
- Current tax	3,351	2,693	24%
- Deferred tax			
- For current year	1,436	1,077	33%
- Deferred tax asset not recognized in earlier years	(1,374)	-	
Net Profit after tax	**18,170**	**14,054**	**29%**
Re-measurements of defined benefit plans	(40)	23	-273%
Income tax effect	4	(7)	-168%
Total Comprehensive Income	**18,134**	**14,071**	**29%**
Cash Profit	**29,383**	**23,714**	**24%**

Income

The Company's total income has increased by 23% from ₹87,857 Lakhs during FY23 to ₹1,07,676 Lakhs during FY24.

- Revenue from operations increased by 22% from ₹87,499 Lakhs for FY23 to ₹1,07,112 Lakhs for FY24. This was driven by the opening of Aurika, Mumbai Skycity and continued strong performance in the hospitality industry constituted by:
  - ARR led revenue growth. ARR of the Company saw an increase of 10% in FY24 as compared to FY23
  - The revenue from food and beverages increased by 22.4% from ₹11,440 Lakhs for FY23 to ₹14,006 Lakhs for FY24
  - Occupancy increased by 179bps from 68% in FY23 to 70% in FY24
- The Company's total revenue from managed hotels also increased by 40% from ₹3,581 Lakhs for FY23 to ₹5,007 Lakhs for FY24
- Lastly, other income increased by 58% from ₹358 Lakhs for FY23 to ₹564 Lakhs for FY24

Expenses

Total expenses increased by 28% from ₹42,742 Lakhs for FY23 to ₹54,788 Lakhs for FY24

- The cost of food and beverages consumed increased in line with the increase in food and beverages revenue from ₹4,990 Lakhs for FY23 to ₹6,278 Lakhs for FY24. Moreover, the cost of food and beverages consumed as a percentage of food and beverages revenue has marginally increased from 43.6% for FY23 to 44.8% for FY24
- Employee benefit expenses increased by 25% from ₹14,973 Lakhs for FY23 to ₹18,775 Lakhs for FY24 owing to adding of manpower for Aurika, Mumbai Skycity and normal yearly increment in salaries.
- Power and fuel expenses increased by 14% from ₹6,871 Lakhs for FY23 to ₹7,805 Lakhs for FY24; due to operationalisation of Aurika, Mumbai Skycity.
- Other expenses increased by 42% from ₹15,429 Lakhs for FY23 to ₹21,930 for FY24; which is due to an increase in overall business activities and increase in renovation activities

EBITDA

The Company's EBITDA increased by 17% from ₹45,114 Lakhs for FY23 to ₹52,888 Lakhs for FY24. EBITDA margins decreased by 223 bps from 51% for FY23 to 49% for FY24. This was majorly due to opening of Aurika, Mumbai Skycity which operationalised on 5th October, 2023 and renovation of the existing hotels to bring them up to market standards.

Depreciation and Amortisation

Depreciation and Amortisation expenses increased by 16% from ₹9,660 Lakhs for FY23 to ₹11,213 Lakhs for FY24 primarily due to addition of Aurika, Mumbai Skycity.

Finance Costs

Total debt increased by 8.2% from ₹1,74,573 Lakhs for FY23 to ₹1,88,912 Lakhs for FY24. The finance cost increased by 14% from ₹18,235 Lakhs for FY23 to ₹20,847 Lakhs for FY24. The finance cost increased due increase of the Company's weighted average cost of debt by 48 bps from 8.38% for FY23 to 8.86% for FY24 and additional debt taken for construction of Aurika, Mumbai Skycity.

Profit After Tax (PAT)

The Company's PAT for the year FY24 is ₹18,170 Lakhs up from a PAT of ₹14,054 Lakhs for FY23. The improvement is due to uptick in the operational performance of the Company and lean cost control measures deployed by the Company.

Cash Profit (PAT+Depreciation)

The Company's cash profit for the year FY24 is ₹29,384 Lakhs up from cash profit of ₹23,714 Lakhs in FY23.

Lemon Tree Resort, Kumbhalgarh

Performance of Owned/Leased Hotels by Brand – FY24 vs. FY23

Parameters	Occupancy Rate (%)			Average Daily Rate (₹)			Hotel Level EBITDAR/ Room (₹ Lakhs)			Hotel Level EBITDAR Margin %		
By Brand	FY24	FY23	Change (bps)	FY24	FY23	Change (%)	FY24	FY23	Change (%)	FY24	FY23	Change (bps)
Aurika*	53%	49%	382	10,643	14,639	-27%	10.0	23.6	-57%	60%	64%	-383
Lemon Tree Premier	79%	76%	287	6,929	6,464	7%	14.1	13.2	6%	57%	59%	-256
Lemon Tree Hotels	73%	69%	401	5,531	5,154	7%	9.3	8.5	9%	49%	51%	-258
Red Fox Hotels	71%	70%	89	4,426	4,025	10%	6.9	5.8	18%	53%	55%	-227
Keys Hotels	56%	54%	262	3,518	3,332	6%	2.5	2.8	-12%	29%	37%	-827

*Aurika includes Aurika, Mumbai Skycity which was operationalised on 5th October, 2023

Aurika

Aurika's numbers include the numbers for Aurika, Mumbai Skycity which operatiionalised on 5th October, 2023 and is not representative of full year's performance. ADR decreased by 27% from ₹14,639 for FY23 to ₹10,643 for FY24. Occupancy increased by 382 bps from 49% for FY23 to 53% for FY24. EBITDAR/room decreased by 57% from ₹23.6 Lakhs for FY23 to ₹10 Lakhs for FY24. EBITDAR margin decreased by 383 bps from 64% for FY23 to 60% for FY24.

Lemon Tree Premier

ADR increased by 7% from ₹6,464 for FY23 to ₹6,929 for FY24. Occupancy increased by 287 bps from 76% for FY23 to 79% for FY24. EBITDAR/room increased by 6% from ₹13.2 Lakhs for FY23 to ₹14.1 Lakhs for FY24. EBITDAR margin decreased by 256 bps from 59% for FY23 to 57% for FY24.

Lemon Tree Hotels

ADR increased by 7% from ₹5,154 for FY23 to ₹5,531 for FY24. Occupancy increased by 401 bps from 69% for FY23 to 73% for FY24. EBITDAR/room increased by 9% from ₹8.5 Lakhs for FY23 to ₹9.3 Lakhs for FY24. EBITDAR margin decreased by 258 bps from 51% for FY23 to 49% for FY24.

Red Fox Hotels

ADR increased by 10% from ₹4,052 for FY23 to ₹4,426 for FY24. Occupancy increased by 89 bps from 70% for FY23 to 71% for FY24. EBITDAR/room increased by 18% from ₹5.8 Lakhs for FY23 to ₹6.9 Lakhs for FY24. EBITDAR margin decreased by 227 bps from 55% for FY23 to 53% for FY24.

Keys Hotels

ADR increased by 6% from ₹3,332 for FY23 to ₹3,518 for FY24. Occupancy increased by 262 bps from 54% for FY23 to 56% for FY24. EBITDAR/room decreased by 12% from ₹2.8 Lakhs for FY23 to ₹2.5 Lakhs for FY24. EBITDAR margin decreased by 827 bps from 37% for FY23 to 29% for FY24.

Lemon Tree Resort, Kumbhalgarh

Key Financial Ratios (On Consolidated Basis)

S. No.	Ratio	Year ended March 31, 2024	Year ended March 31, 2023
1	Current Ratio (in times)	0.57	0.37
2	Debt Equity Ratio (in times)	1.22	1.24
3	Debt Service Coverage Ratio (in times)	1.34	1.24
4	Return on Equity (in %)	12.28%	9.99%
5	Inventory Turnover Ratio (in times)	14.72	16.45
6	Trade Receivable Turnover Ratio (in times)	16.68	20.58
7	Net Capital Turnover Ratio (in times)	(6.91)	(3.74)
8	Net Profit Ratio (in %)	17.10%	16.06%
9	Return on capital employed (in %)	12.25%	11.23%
10	Interest Coverage Ratio (in times) – (i)	3.28	3.19
11	Operating Profit Margin Ratio (in times) – (ii)	49.24%	51.15%

(i) Interest Service Coverage Ratio equals Profit before Tax + Interest on Borrowings + Depreciation and Amortisation divided by Interest on Borrowings.

(ii) Operating Profit Margin equals Profit before Depreciation and Amortisation Expenses, Interest and Tax less Other Income divided by net sales

(iii) Net Sales equals to Revenue from Operations less Government Grant.

(iv) Refer Note 38 of the Notes to Standalone Financial Statements for definitions of other ratios.

The Current Ratio of the Group has improved from 0.37 in financial year 2023 to 0.57 times in financial year 2024. Net Capital Turnover Ratio for financial year 2024 was (6.91) as compared to (3.74) in financial year 2023 on account of higher revenue during the year.

Board's Report

TO,
THE MEMBERS
LEMON TREE HOTELS LIMITED

The Board of Directors have pleasure in presenting the Thirty Second (32nd) Board of Lemon Tree Hotels Limited ("LTHL or the Company") together with the Audited Standalone & Consolidated Financial Statements for the Financial Year ended 31st March, 2024.

The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Results and Operations

The financial performance of the Company on the basis of Standalone & Consolidated Financial Statements for the year ended 31st March, 2024 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2024	Year ended 31st March, 2023*	Year ended 31st March, 2024	Year ended 31st March, 2023*
Revenue from operations	35,737.50	31,050.38	1,07,112.29	87,498.95
Other income	1,141.10	63.79	563.91	357.65
Total income	36,878.60	31,114.17	1,07,676.20	87,856.60
Total Expense	16,707.20	13,815.23	54,788.10	42,742.26
Profit before finance cost, finance income, depreciation and amortization and tax (EBITDA)	20,171.40	17,298.94	52,888.10	45,114.34
Less: Finance costs	4,871.12	4,496.00	20,847.05	18,234.65
Less: Finance income	(381.72)	(364.62)	(685.24)	(517.41)
Less: Depreciation and amortization expense	2,104.82	1,999.05	11,213.10	9,660.16
Net Profit before tax and share of associate	13,577.18	11,168.51	21,513.19	17,736.94
Share of profit of associate	-	-	70.04	86.88
Profit before Tax	13,577.18	11,168.15	21,583.23	17,823.82
Tax expense:				
- Current Tax	2,356.48	1,992.24	3,350.52	2,692.87
- Deferred Tax current Year	1,527.25	1,303.09	1,435.82	1,076.95
- Deferred tax asset not recognized in earlier years	-	-	(1,373.77)	-
Profit for the year	9,693.45	7,873.18	18,170.66	14,054.00
Add: Other Comprehensive Income/(loss) for the year	(8.81)	13.71	(35.96)	16.83
Total Comprehensive Income for the year	9,684.64	7,886.89	18,134.70	14,070.83
Non - controlling interest	-	-	3,311.93	2,600.37
Total Comprehensive Income for the year attributable to Equity Holders of the Parent	9,684.64	7,886.89	14,822.77	11,470.46
Earning per Equity Share (Face value of ₹10 each)				
Basic (In ₹)	1.22	1.00	1.88	1.45
Diluted (In ₹)	1.22	1.00	1.88	1.45

Further, key financial and operational highlights of Company are available in the management discussion and analysis report forming part of the Integrated Report.

** Figures of the last year have been restated pursuant to merger of four wholly owned subsidiaries (Direct and Indirect) with the Company i.e. Valerian Management Services Private Limited, Grey Fox Project Management Company Private Limited, PSK Resorts & Hotels Private Limited and Dandelion Hotels Private Limited.*

Consolidated Financial Statement

In accordance with the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations read with Ind AS 110-Consolidated Financial Statements and Ind AS 28-Investments in Associates and Joint Ventures, the consolidated audited financial statement forms part of the Integrated Report.

Capital Structure

*Authorised Share Capital

The Authorized Share Capital of the Company is ₹10,14,24,00,000 consisting of 1,00,73,90,000 equity shares of ₹10 each, 1,95,000 5% redeemable preference shares of ₹100 each and 4,90,000 preference shares of ₹100 each.

**Revised pursuant to merger of four wholly owned subsidiaries (Direct and Indirect) with the Company i.e. Valerian Management Services Private Limited, Grey Fox Project Management Company Private Limited, PSK Resorts & Hotels Private Limited and Dandelion Hotels Private Limited.*

Paid-up Share Capital

During the Financial Year under review, the Issued and Paid up Share Capital of the Company remained at ₹7,92,24,64,640/- divided into 79,22,46,464 equity shares of face value of ₹10/- each.

Statement of Company's Affairs:

A. Operational Hotels and Upcoming Projects

With the launch of Lemon Tree Premier, Malad, Mumbai, Lemon Tree Hotels Limited has achieved another milestone – its 100th property on 15th December, 2023. As of 31st March, 2024 the inventory for the group stands at 104 operational hotels with 9,858 rooms, and our pipeline comprises of 4,156 rooms.

Lemon Tree Hotels Limited is a Company engaged in hotel business and there has been no change in the nature of its business during the year under review.

The details of operational hotels and upcoming projects are given in the "Corporate Insight" Section of the Integrated Report 2023-24.

B. Awards and Recognition

During the year under review, the Company has received following key awards and recognition as detailed herein below:

Hotelier India GM Summit & ESG Excellence Awards 2024- Western Region

- Socially Responsible Hotel of the Year- Lemon Tree Premier, Mumbai

HRANI Awards - Women's Excellence Award 2024

- Priyanka Bhatt Arora - Lemon Tree Premier, City Centre, Gurugram

BW Hotelier Awards Hotelier Indian Hospitality Summit and Award (IHA-2023) - Winners:

- Patanjali Govind Keswani, Chairman & MD - The Hall of Fame Award
- Abhishek Bairagi - Lemon Tree Premier, Bhubaneswar- General Manager Upscale (East)
- Monalisa Samantaray, Lemon Tree Premier, Patna - Head of HR (National)
- Manish Kumar, Lemon Tree Premier, LV 2, Gurugram - Head of Housekeeping (North)

Recognitions by Great Place to Work:

- Ranked 33rd amongst Top 100 work places in India 2024
- India's Best workplace in Industry 2023
- India's Best workplace for millennials 2023
- India's Best workplace for women 2023
- India's Best workplace for Diversity, Equity, Inclusion and Belonging 2023

Award for Excellence by H&RA

- Lemon Tree Hotels awarded as Best Hotel Chain CSR

Trip Advisor Traveller's Choice Awards 2023

- 72 out of 84 eligible hotels awarded Traveller's Choice Award by Trip Advisor
- Aurika Hotels & Resorts - 2
- Lemon Tree Premier - 14
- Lemon Tree Hotels - 37
- Red Fox Hotels - 10
- Keys Prima by Lemon Tree Hotels - 1
- Keys Select by Lemon Tree Hotels - 8

Gold Certification by the Indian Green Building Council (I.G.B.C.)

- Lemon Tree Premier, Ulsoor Lake, Bengaluru
- Lemon Tree Hotel, Electronics City, Bengaluru
- Lemon Tree Hotel, Gachibowli

Board of Directors & Key Managerial Personnel (KMP's)

As on March 31, 2024, there were ten (10) Directors on the Board of Directors (hereinafter referred to as the 'Board') with an optimum combination of Executive and Non-Executive Directors including two women independent directors.

The Board comprises of seven Non-Executive Independent Directors. During the year, the following appointment/re-appointment/cessation of Directors/ KMP took place:

Mr. Patanjali Govind Keswani has been reappointed as Chairman and Managing Director for a further

period of three years w.e.f 1st April, 2023 till 31st March 2026. His reappointment has been approved by the members of the Company through a Special Resolution passed via Postal ballot on 13th June, 2023.

Mr. Praveen Garg, Mr. Sanjiv Nandan Sahai and Ms. Smita Anand have been appointed as Independent Non-Executive Directors for a first term of five years w.e.f. 09th November, 2023 till 8th November, 2028. Their appointment(s) have been approved by the members of the Company through a Special Resolution(s) passed via Postal ballot on 18th January, 2024.

In the opinion of the Board, Mr. Praveen Garg, Mr. Sanjiv Nandan Sahai and Ms. Smita Anand are persons of integrity and fulfil requisite conditions as per applicable laws and are independent of the management of the Company.

Dr. Arindam Kumar Bhattacharya ceased to be an independent director w.e.f. 10th April, 2024 due to completion of his term. The Board places on record its appreciation for his invaluable contribution and guidance.

Ms. Jyoti Verma has been appointed as Group Company Secretary & Compliance Officer w.e.f. 21st November, 2023

Mr. Nikhil Sethi resigned from the position of AVP Legal & Group Company Secretary & Compliance Officer with effect from 31st October, 2023.

The details of the Director's & KMP's [as per Companies Act, 2013 ("Act")] of the Company as on 31st March, 2024 are given herein below:

S. No.	Name of Directors/ KMP's	Designation
1	Mr. Patanjali Govind Keswani	Chairman & Managing Director
2	Mr. Niten Malhan	Vice Chairman and Lead Independent Non-Executive Director
3	Dr. Arindam Kumar Bhattacharya	Non-Executive Independent Director
4	Mr. Paramartha Saikia	Non-Executive Independent Director
5	Ms. Freyan Jamshed Desai	Non-Executive Independent Director
6	Mr. Willem Albertus Hazeleger	Non-Executive Director
7	Mr. Aditya Madhav Keswani	Non-Executive Director
8	Mr. Praveen Garg	Non-Executive Independent Director
9	Mr. Sanjiv Nandan Sahai	Non-Executive Independent Director
10	Ms. Smita Anand	Non-Executive Independent Director
11	Mr. Kapil Sharma	Chief Financial Officer
12	Ms. Jyoti Verma	Group Company Secretary & Compliance Officer

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Aditya Madhav Keswani, Director shall be liable to retire by rotation, and being eligible, offers himself for reappointment. The same shall be placed for approval of members at the ensuing Annual General Meeting of the Company.

Senior Management

During the Financial year under review Mr. Vikramjit Singh has resigned from the position of the President of the Company to pursue an entrepreneurial role. His resignation was effective from closure of business hours of 31st January, 2024.

Declaration by Independent Directors

All the Independent Directors have given necessary declarations in terms of Section 149 (7) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations"), that they meet the criteria of independence as laid down under Section 149 (6) of the Act along with a declaration of compliance of sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (LODR) Regulations.

Committees of the Board

As on 31st March, 2024, your Board has following mandatory Committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee;
- Stakeholder's Relationship Committee; and
- Risk Management Committee.

The details of the compositions, meetings held during the Financial Year under review, attendance of the Committee Members and the terms of reference of the above Committees of the Board are provided in the Corporate Governance Report attached as ***'Annexure-5'*** to this Report.

Apart from the above-mentioned Committees, the details of the compositions, meetings held during the Financial Year under review and attendance of the Members of following non-mandatory committees are given in ***'Annexure-1'*** to this Report:

(a) Finance Committee;

(b) Share Allotment Committee;

(c) General Management Committee; and

(d) Sustainability Committee.

Board Meetings held during the year

During the Financial Year under review, the Board met 5 (Five) times and the details of the Board Meetings held indicating number of meetings attended by each Director is provided in the Corporate Governance Report attached as ***'Annexure-5'*** to this Report.

Annual Board Evaluation

To comply with the provisions of Section 134(3)(p) of the Act and rules made thereunder, Regulation 17(10) of SEBI (LODR) Regulations, the Board of Directors has carried out an annual evaluation of its own performance including its committees (wherein the concerned director being evaluated did not participate). The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of the criteria such as strategy, performance management, risk management, core governance & compliance, organization's health and talent management.

Further, to comply with the Regulation 25(4) of SEBI (LODR) Regulations, Independent Non-Executive Directors also evaluated the performance of Non-Independent Non-Executives Directors, Chairman and Board as a body at a separate meeting of Independent Non-Executives Directors held on 28th May, 2024.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. On the basis of the ranking filled in the evaluation questionnaire and discussion of the Board, the performance of the Board and its committees and Individual Directors (including Independent Directors) has been assessed as satisfactory.

Policies under Companies Act, 2013/SEBI (LODR) Regulations

Nomination and Remuneration Policy

The Company has in place a Nomination and Remuneration Policy which lays down the criteria for appointment, evaluation of performance of Directors and remuneration of Directors, KMP, Senior Management Personnel and other employees. The Policy was updated on 1st April 2024. The Nomination and Remuneration Policy is attached as ***'Annexure-2'*** to this Report.

During the Financial Year under review, the Company has taken necessary approval/recommendation with respect to appointment/re-appointment of Directors/ KMP, wherever required, from Nomination and Remuneration Committee in accordance with the terms of the policy.

The Company has in place following policies in compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policies are available in the 'Investor Relations' section at the Company's website.

Name of the policy	Web link
Code of Conduct and Vigil Mechanism/ Whistle Blower Policy	https://www.lemontreehotels.com/factsheet/Code_of_Conduct_and_Vigil_Mechanism.pdf
Risk Management Policy	https://www.lemontreehotels.com/factsheet/Policies/Risk_Management_Policy.pdf
Nomination and Remuneration Policy	https://www.lemontreehotels.com/factsheet/Policies/Nomination_and_Remuneration_Policy.pdf
Corporate Social Responsibility ("CSR") Policy	https://www.lemontreehotels.com/factsheet/Policies/Corporate_Social_Responsibility_Policy.pdf
Dividend Distribution Policy	https://www.lemontreehotels.com/factsheet/Policies/Dividend_Distribution_Policy.pdf
Policy on Appointment and Rotation of Statutory Auditors	https://www.lemontreehotels.com/factsheet/Policies/Rotation_of_Auditors_Policy.pdf
Policy on Board Diversity	https://www.lemontreehotels.com/factsheet/Policies/Policy_on_Board_Diversity.pdf
Policy on related party transaction	https://www.lemontreehotels.com/factsheet/Policies/Related_Party_Transaction_Policy.pdf?
Policy for determination of material subsidiary	https://www.lemontreehotels.com/factsheet/Policies/Determination_of_Material_Subsidiary_Policy.pdf?
Policy for determination of materiality of events and information	https://www.lemontreehotels.com/factsheet/Policies/Determination_of_Materiality_of_Events_and_%20Information_Policy_(Feb_2024).pdf?

Further, during the year under review following policies have been amended to align the same with the recent amendments in SEBI (LODR) Regulations.

1. Policy on Related Party Transactions
2. Policy for determination of material subsidiary
3. Policy for determination of materiality of events & Information

The amended policies have been uploaded on the Company's website and can be accessed at website of the Company i.e https://investors.lemontreehotels.com/.

Report on Corporate Social Responsibility ("CSR") Activities

The report on CSR Activities for the Financial Year under review under Section 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Rule 9 of the Companies (Accounts) Rules, 2014 is attached as ***'Annexure-3'*** to this Report.

Subsidiary, Associates and Joint Venture Companies

As on 31st March, 2024, the Company has Thirteen (13) direct subsidiaries; Seven (7) indirect subsidiaries and Three (3) associate companies as under:

Direct Subsidiaries	Indirect Subsidiaries
Fleur Hotels Private Limited	Berggruen Hotels Private Limited
Carnation Hotels Private Limited	Bandhav Resorts Private Limited

Direct Subsidiaries	Indirect Subsidiaries
Totally Foxed Solutions Private Limited	Celsia Hotels Private Limited
Canary Hotels Private Limited	Inovoa Hotels and Resorts Limited
Sukhsagar Complexes Private Limited	Iora Hotels Private Limited
Oriole Dr. Fresh Hotels Private Limited	Ophrys Hotels Private Limited
Lemon Tree Hotel Company Private Limited	Hyacinth Hotels Private Limited
Red Fox Hotel Company Private Limited	
Hamstede Living Private Limited	
Madder Stays Private Limited	**Associate(s)**
Arum Hotels Private Limited *(formerly Jessamine Stays Private Limited)*	Mind Leaders Learning India Private Limited
Nettle Hotels Private Limited *(formerly Poplar Homestead Holdings Private Limited)*	Pelican Facilities Management Private Limited
^Manakin Resorts Private Limited	Glendale Marketing Services Private Limited

During the Financial Year under review, four (4), wholly owned subsidiaries of the Company i.e Valerian Management Services Private Limited, Grey Fox Project Management Company Private Limited, PSK Resorts & Hotels Private Limited and Dandelion Hotels Private Limited have been merged with the Company pursuant to order of Hon'ble NCLT dated 14th December, 2023.

^ Manakin Resorts Private Limited, wholly owned subsidiary of PSK Resorts & Hotels Private Limited, became direct subsidiary of the company pursuant to above merger.

Further, the Subsidiary Companies viz. Fleur Hotels Pvt. Ltd and Celsia Hotels Pvt. Ltd. are partners of a limited liability partnership, Mezereon Hotels LLP ("Mezereon").

Company has acquired 31,67,200 Compulsorily Convertible Preference Shares ("CCPS") (22,00,000 in Financial Year 2023 and 9,67,200 in Financial Year 2024) of Fleur Hotels Private Limited (herein after as "Fleur") from the APG Strategic Real Estate Pool N.V. Further, the aforesaid CCPS were converted into equity shares during the period. As on date the percentage holding of the Company in Fleur is 58.91%.

During the year, there has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Act read with Rule 8(1) of Companies (Accounts) Rules, 2014, a statement containing the salient features of financial statements of the Company's subsidiaries, associates and joint ventures is attached in form AOC 1 as ***'Annexure-4'*** to the Board Report.

Further, pursuant to provisions of section 136 of the Act, the audited financial statements of the Company along with relevant documents and separate audited financial statements of the subsidiaries are available on the website of the Company under Investor section under following link https://investors.lemontreehotels.com/financials-subsidiaries.html.

Scheme Of Arrangement of Wholly Owned Subsidiaries of the Company

The order for the Scheme of Amalgamation ("Scheme") of wholly owned subsidiaries (Direct and Indirect) of the Company viz. Valerian Management Services Private Limited ("Transferor Company No. 1"), Grey Fox Project Management Company Private Limited ("Transferor Company No. 2"), PSK Resorts & Hotels Private Limited ("Transferor Company No. 3") and Dandelion Hotels Private Limited ("Transferor Company No. 4") with Lemon Tree Hotels Limited ("Transferee Company") has been approved by the Hon'ble National Company Law Tribunal, Delhi vide its order dated December 14, 2023. The Scheme became effective upon filing of certified true copy of the Order with the Registrar of Companies, NCT of Delhi & Haryana filed on January 19th, 2024. On effective date, Transferor Company(ies) have been amalgamated with the Transferee Company w.e.f April 1, 2022 (Appointed date of Scheme). Consequent to the merger, the Authorised Share Capital of the Company stands altered, modified, reclassified and amended from 1,00,14,40,000 equity shares of ₹10 each and 1,45,000 5% redeemable cumulative preference shares of ₹100 each to ₹10,14,24,00,000 consisting of 1,00,73,90,000 equity shares of ₹10 each, 1,95,000 5% redeemable preference shares of ₹100 each and 4,90,000 preference shares of ₹100 each and consequently Memorandum of Associations has been Amended to incorporate the same.

Further, pursuant to the merger, shareholding held by M/s Dandelion Hotels Private Limited ("Transferor Company No. 4") in M/s Fleur Hotels Private Limited stands transferred in the name of the Company.

Management Reports

Management Discussion and Analysis Report

The management discussion and analysis report on Company's performance-industry trend and other material changes with respect to the Company, its subsidiaries, associates, wherever applicable, has been given separately and forms part of the Integrated Report.

Business Responsibility and Sustainability Report (BRSR)

Pursuant to Regulation 34(2)(f) of the SEBI (LODR) Regulations and its Circular dated May 10, 2021, SEBI has made Business Responsibility & Sustainability Report (BRSR) mandatory for the top 1,000 listed companies (by market capitalisation) from FY 2022-23. In terms of SEBI circular dated 12th July, 2023, from FY 2023-24, the top 1000 listed entities (by market capitalization) shall make disclosures as per the updated BRSR format, as part of their Annual Reports. As the Company falls in the top 500 category, the BRSR under updated format for FY 2023-24 forms part of this Report as ***'Annexure-10'***.

Integrated Report

The Company has voluntarily adopted Integrated Report during the Financial Year 2021-22. This integrated report for the Financial Year 2023-24 is prepared in alignment with the Integrated Reporting framework laid down by the International Integrated Reporting Council and aims at presenting the value creation approach for our stakeholders.

Corporate Governance

The Company has adopted good governance practices and committed to maintain high standards of corporate ethics, professionalism and transparency. The Company has adopted polices in line with the good corporate governance requirements which inter alia includes policy on Related Party Transactions, policy on Material Subsidiary, policy for Material Information and Events, Corporate Social Responsibility Policy, Dividend Distribution Policy, Whistle Blower Policy and a Policy on Board Diversity. These policies are available in the 'Investor Relations' section at the Company's website at link https://investors.lemontreehotels.com/

In compliance with the provisions of Regulations 34(3) of the SEBI (LODR) Regulations, a separate report on Corporate Governance together with a certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations is attached as ***'Annexure-5'*** to this Report.

The certificate from the Practicing Company Secretary pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (LODR) Regulations with respect to non-disqualification of Directors of the Company is also annexed along with ***'Annexure-5'*** and forms part of this Report.

Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

Borrowings from Banks/ Financial Institutions

The Company's total long-term borrowings from banks/ financial institutions have reduced from ₹35,277.55 Lakhs in the previous year to ₹29,901.69 Lakhs in the current year.

Employees Stock Option Scheme

A certificate from the Secretarial Auditors of the Company that Employee Stock Option Scheme, 2006 ('ESOP Scheme') the scheme has been implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be placed at the ensuing Annual General Meeting for inspection by Members of the Company.

Further, during the Financial Year under review, 2,38,400 options have been exercised by the employees of the Company through Krizm Hotels Private Limited Employee Welfare Trust ("Trust").

The applicable disclosures as stipulated under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 with regard to Employees Stock Option Plan of the Company is given herein below and the information required under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available at the Company's website at https://investors.lemontreehotels.com/corporate-governance-esop-scheme.html

ESOP Report for Financial Year 2023-24

Sr. No.	Description	ESOP Scheme
a)	Options Granted	-
b)	Options vested	
c)	Options Exercised*	-
d)	Total Number of Shares arising as a result of exercise of option	-
e)	Options lapsed*	N.A
f)	The exercise price (On weighted average basis)**	-
g)	Variation of terms of options	N.A
h)	Money realized by exercise of options (if scheme is implemented directly by the Company)	N.A
i)	Total number of options in force	-
j)	Employee wise details for options granted to:-	
	(i) Key managerial Personnel:	
	a) Mr. Kapil Sharma (Chief Financial Officer)	N.A
	b) Ms. Jyoti Verma (Group Company Secretary & Compliance Officer) (w.e.f. 21st November, 2023)	N.A
	c) Mr. Nikhil Sethi (AVP Legal & Group Company Secretary) (w.e.f. up to 31st October, 2023)	N.A
	(ii) any other employee who received a grant of options in any one year of option amounting to five percent or more of options granted during that year	N.A
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (Excluding outstanding warrants and conversions) of the Company at the time of grant	N.A

** ESOP Plan is implemented though Trust Route. Hence, all the options have already been exercised by Krizm Hotels Private Limited Employee Welfare Trust.*

*** Options granted prior to the listing of the Company's shares were based on the valuation done by an Independent Chartered Accountant from time to time.*

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The statement including the details of employees as required to be furnished in accordance with the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are set out in ***'Annexure-6'*** to this Report.

Disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in ***'Annexure-7'*** to this Report.

Reporting of Fraud by Employee of the Company

During the year under review following incidences of Fraud by employees and vendor of the Company have been reported by Statutory Auditors to the Audit Committee but not reported to the Central Government as amount was less than the minimum prescribed amount under section 143(12) of the Companies Act, 2013. These were duly informed to the Audit Committee and Board of Directors and upon their recommendation detailed investigation has been done and corrective actions has been taken. The same were brought to the knowledge of Auditors as well.

(a) Nature of Fraud with description:- Misappropriation of funds by two employees of the Company along with 1 vendor

(b) Approximate Amount involved:- ₹32.74 Lakhs

(c) Parties involved, if remedial action not taken:- N.A

(d) Remedial actions taken:- Appropriate Legal action has been taken against the employees indulged in committing misappropriation of funds. Company has further strengthened its internal financial controls to mitigate such incidences in future.

Directors' Responsibility Statement

Pursuant to Section 134(3)(C) read with Section 134(5) of the Act, the Directors, to the best of their knowledge and ability, hereby confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanation relating to material departures;

(ii) they have selected such accounting policies in consultation with Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year 31st March, 2024 and of the profit and loss of the company for the year ended on that date;

(iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) the annual accounts of the Company have been prepared on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors and Auditor's Report

Statutory Auditors

M/s Deloitte Haskins & Sells LLP (LLP No. AAB-7837), Chartered Accountants have been re-appointed as Statutory Auditors of the Company in the Annual General Meeting held on September 14, 2022 for a further period of 5 years up to conclusion of Annual General Meeting of the Company to be held in year 2027.

The reports given by the Statutory Auditors on the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2024 forms part of this Report. There have been no qualifications, reservation or adverse remarks made by the Statutory Auditors in their reports. The Statutory Auditors have not reported any material fraud to the Central Government under Section 143(12) of the Act.

Secretarial Auditor Report of the Company and its material subsidiary Companies

The Board of Directors of the Company, have appointed M/s DPV & Associates LLP, Practicing Company Secretaries (FRN: L2021DE009500) to conduct the Secretarial Audit for the Financial Year under review in accordance with Section 204 of the Act. The Secretarial Auditors have submitted their report, which is annexed as ***'Annexure-8'*** to this Report.

The Secretarial Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

As per Regulation 24A of SEBI (LODR) Regulations, the Secretarial Audit Report(s) of the unlisted material subsidiaries of the Company for the Financial Year 2023-24 by Practicing Company Secretaries are annexed as ***'Annexure-9'*** to this Report.

None of the said Secretarial Audit Reports contain any qualifications, reservations, adverse remarks or disclaimers.

Further, the Board of Directors of the Company, has reappointed M/s DPV & Associates LLP, Practicing Company Secretaries (FRN: L2021DE009500) to conduct the Secretarial Audit for the Financial Year 2024-25 in accordance with Section 204 of the Companies Act, 2013.

Significant and Material Orders

There are no significant or material orders passed by the regulators, courts or tribunals impacting the going concern status and the company's operation in future. However, Members' attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the financial statements.

Particulars of Loans, Guarantees or Investments

The Company, being engaged in the hotel business, is classified as providing infrastructure facilities in terms of the Schedule VI to the Act and is exempted from the compliance for loans/ guarantees given, security provided in terms of Section 186 (11) of the Act, however, the details of loans, guarantees, and investments made by the Company forms part of the notes to the Financial Statements.

Further, the details required in terms of Regulation 34(3) of SEBI (LODR) Regulation with respect to loan given by the Company to its subsidiaries is given hereunder. For details regarding investments and Guarantees please refer to the notes to the Financial Statements.

(Amount in ₹ Lakh)

Name of the Company	Maximum Loan Outstanding during the year 2024	As at 31st March, 2024	Maximum Loan Outstanding during the year 2023	As at 31st March, 2023
Canary Hotels Private Limited	243.91	243.91	166.91	46.91
Oriole Dr. Fresh Hotels Private Limited	427.00	67.01	290.56	102.77
Sukhsagar Complexes Private Limited	733.00	180.00	1,020.00	415.00
Red Fox Hotel Company Private Limited	2.11	2.11	2.11	2.11
Lemon Tree Hotel Company Private Limited	2.00	2.00	2.00	2.00
Totally Foxed Solutions Private Limited	2,796.69	2,796.69	435.00	435.00
Nettle Hotels Private Limited (formerly Known as Poplar Homestead Holding Private Limited)	1.50	1.50	-	-
Madder Stays Private Limited	1.50	1.50	-	-
Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)	1.50	1.50	-	-
*Manakin Resorts Pvt. Ltd.	140.28	-	-	-

**Maximum Loan outstanding during the year for the Loan taken by Grey Fox Project Management Company Private Limited, which is now merged with the Company.*

Particulars of Contracts or Arrangements with Related Parties Referred to in Section 188 of the Companies Act, 2013

In line with the requirements of the Act and the SEBI (LODR) Regulations, your Company has formulated a policy on dealing with Related Party Transactions (RPTs) which has been amended during the year under review. The policy can be accessed in the 'Investor Relations' section at the Company's website https://www.lemontreehotels.com/factsheet/Policies/Related_Party_Transaction_Policy.pdf.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all material transactions between the Company and Related Parties.

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2024 and hence does not form part of this report. Related party Transactions can be viewed at Note No. 33 of Standalone Financial Statements and Note No. 38 of Consolidated Financial Statements of the Company.

Annual Return

In accordance with Section 92(3) of the Companies Act, 2013 read with rules made thereunder, the Annual Return of the Company in Form MGT-7 has been placed on the website of the company at https://www.lemontreehotels.com/factsheet/Policies/LTHL-Annual-Return-2024.pdf.

The aforesaid Annual Return will be filed with the Ministry of Corporate Affairs post annual general meeting, within the prescribed timelines in prescribed

form MGT-7 (including form MGT-8). Thereafter, the final Form MGT-7 and Form MGT-8 would be uploaded on the Company's website at the above-mentioned link.

Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

Particulars Regarding Conservation of Energy Etc. under Section 134(3)(m) of the Companies Act, 2013 and Rules Made Therein

As per the provisions of Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2013, the measures taken during the Financial Year under review for conservation of energy and technology absorption by the Company in the operation of its hotels are as follows:

A. Conservation of Energy:

Lemon Tree Hotels is committed to maintain eco-friendly & energy conservation practices all across its Hotel properties. We strongly believe in conservation and accordingly have implemented many eco-friendly processes for energy and water preservation, waste management disposal, measures to control water, noise and environmental pollution. Our existing and upcoming hotels are designed and constructed to qualify for the L.E.E.D Gold Standard.

Further, the details of steps taken for conservation of energy are provided in Business Responsibility and Sustainability Report (BRSR) which forms part of this Report.

Steps taken by the Company for utilizing alternate source of energy:

The Company has utilized alternative source of energy viz. renewable Energy in the form of Solar Photo voltaic systems which is being utilized by our hotels. We are also using solar hot water systems in our hotels to reduce heating load for hot water systems.

The Capital investment on energy conservation requirements:

The Company has made the capital investment on installation and commissioning of Solar Photo voltaic systems at our Hotels to capture free Solar Energy for reducing the Energy requirement and also on installation of Heat Recovery ventilation and Heat Recovery wheel systems.

B. Technology Absorption, Research & Development (R&D):

Technology absorption:

The Company is in the service industry and operates and manages its hotels across India. However, no know how and technology has been imported during the year. However, efforts have been made to imbibe various new technologies like Green Building, rain water harvesting, use of plumbing faucets, sewage treatment plants.

Research & Development:

The Company during the Financial Year 2023-24 has not carried out any activity which can be construed as Research & Development. Therefore, there is nothing to report under this section.

C. Foreign exchange earnings and outgo:

The information regarding Foreign Exchange earnings and outgo for the period under review is mentioned hereunder:

(₹ In Lakhs)

S. No.	Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
1.	Earning in Foreign Currency	1,559.19	1,722.59
2.	Outgo in Foreign Currency		
	- Value of Capital Goods Imported on CIF basis	-	-
	- Commission/ Advertisement and business promotion	101.51	138.72

Dividend on Equity Shares

The Company does not propose any dividend on the shares of the Company for the Financial Year ended on 31st March, 2024.

Transfer to Reserves

No transfers to reserves were made, as no appropriations were required to be made during the Financial Year under review.

Adequacy of Internal Controls

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Statutory and the Internal Auditors routinely conduct system checks and give their report after evaluation of the efficacy and adequacy of internal control systems including controls with respect to the financial statements, its compliance with operating systems, accounting procedures and policies in the Company. Based on the report of Internal Audit, the departments undertake corrective action in their respective areas and thereby strengthen the controls. The significant audit observations and follow up actions thereon are reported to the Audit Committee as well and further corrective action taken as per the inputs received from the committee members and the auditors.

Cost Records and Cost Audit

The Company is not required to maintain cost records in accordance with Section 148 of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 as the services of the Company are not covered under these rules. Hence, Cost Audit is not applicable.

Secretarial Standards

The Company has proper systems in place to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of the Company Secretaries of India and such systems are adequate and operating effectively.

Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their Status as at the end of the Financial Year

During the year under review, there were no proceedings that were filed by the Company or against the Company, which are pending under the Insolvency and Bankruptcy Code, 2016, as amended, before National Company Law Tribunal or other Courts.

The Details of Difference Between Amount of the Valuation done at the time of One time Settlement and the Valuation done While Taking Loan from the Banks or Financial Institutions Along with the Reasons thereof

During the year under review, there was no one-time settlement with any Bank or Financial Institution. Hence, no valuation was required to be undertaken.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint was received by the Corporate Ethics Committee (CEC) formed in this regard.

Further, Internal Complaints Committee is also in place at all hotel locations & no complaint has been received during the year under review.

Green Initiative

Pursuant to Section 101 and 136 of the Act read with Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, the Company can send Notice of Annual General Meeting, financial statements and other communications in electronic form.

Your Company shall be sending this Report including the Notice of Annual General Meeting, Audited Financial Statements, Board's Report along with annexures etc. for the Financial Year 2023-24 in the electronic mode to the shareholders who have registered their email ids with the Company and/or their respective Depository participants (DPs). Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses.

Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company by sending mails to the mail id sectdeptt@lemontreehotels.com or to the Registrar and Share Transfer Agent of the Company, by sending a letter, duly signed by the first/sole holder quoting details of their Folio No.

Acknowledgement

We thank our customers, business associates, Government Agencies, bankers and other statutory authorities, who have reposed their continued trust and confidence in the Company.

We wish to convey our deep appreciation to the dealers of the Company for their achievements in the area of sales and service, and to suppliers/vendors for their valuable support.

We also place on record our sincere appreciation for the enthusiasm and commitment of the Company's employees for the growth of the Company and look forward to their continued involvement and support.

For & On Behalf of the Board of Directors
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Date: 29th May, 2024
Place: Mumbai

ANNEXURE-1

Annexure(s) to the Board's Report

Non-Mandatory Committee(s) of the Board of Directors

I. Finance Committee

During the financial year under review, two (2) Finance Committee meeting(s) were held on 15th June, 2023 and 26th June, 2023.

Attendance of Members for the year ended 31st March, 2024:

Name of the Member	Designation	No. of Meetings Attended
Mr. Patanjali Govind Keswani	Chairman & Member	1
Mr. Willem Albertus Hazeleger	Member	2
Mr. Paramartha Saikia	Member	2

II. Share Allotment Committee

During the Financial Year under review, no share allotment committee meeting was held.

Name of the Member	Designation
Mr. Paramartha Saikia	Chairman & Member
Mr. Patanjali Govind Keswani	Member

III. General Management Committee

During the Financial Year under review, 8 (Eight) General Management Committee meetings were held on 2nd May, 2023, 19th June, 2023, 11th August, 2023, 9th October, 2023, 15th December, 2023, 15th January, 2024, 7th February, 2024 and 4th March, 2024.

Attendance of Members for the year ended 31st March, 2024:

Name of the Member	Designation	No. of Meetings Attended
Mr. Patanjali Govind Keswani	Chairman & Member	8
Mr. Paramartha Saikia	Member	4
Mr. Aditya Madhav Keswani	Member	8

IV. Sustainability Committee

During the Financial Year under review, no meeting of sustainability committee was held.

	Name of the Member	Designation
1.	Ms. Freyan Jamshed Desai	Independent Director
2.	Mr. Patanjali Govind Keswani	Chairman and Managing Director
3.	Mr. Kapil Sharma	Senior Management, Chief Financial Officer
4.	Mr. Jagdish Kumar Chawla	EVP- Projects & Engineering
5.	Ms. Aradhana Lal	Sr. Vice President-Sustainability & ESG

** Mr. Vikramjit Singh ceased to be the Member of the Committee w.e.f. 31st January, 2024.*

The terms of reference of the Sustainability Committee shall inter alia include the following:

- Identify key performance indicators for Sustainability
- Oversee implementation of ESG Policy &
- Provide necessary direction and guidance w.r.t ESG Policy

Annexure- 2

Nomination and Remuneration Policy

1. Introduction

In terms of Section 178 of the Companies Act, 2013 read with applicable rules and regulations and in pursuance of the policy of Lemon Tree Hotels Limited ('Company') to consider its human resources as its invaluable assets, the Nomination and Remuneration Committee of the Company re-constituted on 18th September 2014 has formulated this policy on nomination and remuneration of Directors, Key managerial personnel, senior management personnel and other employees of the Company (hereinafter referred as 'Policy') and which has been adopted by Board of Directors of the Company in its meeting on 19.02.2015.

Policy Objective

The objective of this Policy is to determine the criteria for appointment, removal, evaluation of performance of Directors and remuneration of Directors, key managerial personnel, senior management personnel and other employees.

2. Definitions

In this Policy unless the context otherwise requires:

(a) "Act" means Companies Act, 2013 including the applicable Rules & regulations;

(b) "Board of Directors" or "Board", in relation to the Company, means the collective body of the directors of the Company and includes the committees of the Board;

(c) "Directors" means Directors of the Company appointed in terms of provisions of the Act;

(d) "Independent Director" means a director referred to in Section 149 (6) of the Act;

(e) "Key Managerial Personnel" or "KMP" in relation to a company, means:

(i) Chief Executive Officer ('CEO') or the Managing Director ('MD') or the Manager;

(ii) Company Secretary;

(iii) Whole-time Director ('WTD');

(iv) Chief Financial Officer; and

(v) such other officer as may be prescribed;

(f) "NRC" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board;

(g) "Rules & regulations" refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, and such other rules and provisions as applicable to the matters dealt in by this Policy;

(h) *"Senior Management Personnel" for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors including CFO and CS. It would comprise of all members of management at Band level 12 & above who are designated at Senior Vice President/ Executive Vice President and are directly reporting to Chairman & MD along with employees of the Company/Group who have been specifically designated as Senior Management due to their roles and responsibilities.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. Applicability

This Policy is applicable to:

(i) Directors viz. Executive, Non-executive and Independent

(ii) Key Managerial Personnel

(iii) Senior Management Personnel

(iv) Other Employees of the Company

4. General

This Policy is divided in three parts:

Part-A covers the matters to be dealt with and recommended by the NRC to the Board within Scope of Policy;

Part-B covers the appointment and nomination of Directors; and

Part-C covers remuneration etc for the Directors, Key Managerial Personnel and other employees.

** Definition of Senior Management Personnel amended w.e.f. April 1, 2024.*

PART-A

5. Scope

The matters to be dealt by NRC in terms of this Policy are as follows:

a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management Personnel, recommend to Board their appointment and removal;

b. Carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;

c. Determine remuneration based on the Company's size and financial position and trends and practices for remuneration prevailing in similar companies in the industry;

PART-B

6. Appointment of Directors and Senior Management Personnel

a. The NRC shall identify and ascertain the positive attributes, integrity, independence, qualification, expertise and experience of the person for appointment as Directors, or Senior Management Personnel and recommend to the Board his/her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient for the concerned position.

c. A person shall be appointed as Independent Director subject to the compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.

d. The Company shall not appoint or continue the employment of any person as MD/WTD/ Manager who is below the age of twenty one years or has attained the age of seventy years. Provided that the appointment of a person who has attained the age of seventy years may be appointed with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for appointment of such person.

7. Term/Tenure

a. MD/ WTD/ Manager

Subject to the applicable provisions of the Act and the Memorandum and Articles of Association of the Company, the Company shall appoint or re-appoint any person as its MD/WTD/Manager for a term of maximum five (5) consecutive years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.

b. Independent Director

(i) Subject to the applicable provisions of the Act, an Independent Director shall hold office for a maximum term of five (5) consecutive years on the Board of the Company with the approval of the shareholders in general meeting and will be eligible for re-appointment on passing of a special resolution by the shareholders of the Company for another term of maximum five (5) years and disclosure of such appointment be made in the Board's report.

(ii) Any Independent Director, who has completed his two consecutive terms, shall be eligible for appointment after expiry of three (3) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(iii) The Independent Director shall not be liable to retire by rotation.

8. Disqualifications for Appointment/Re-Appointment of Directors

Any person who is disqualified for appointment/ re-appointment as a director in terms of Section 164 of the Act shall not be eligible for appointment/re- appointment, as the case may be, as a Director of a company.

9. Evaluation

The NRC shall carry out evaluation of performance of every Director and a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be disclosed in the Board Report.

10. Removal

The NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Act.

11. Retirement

The Director, KMP and Senior Management Personnel shall retire/resign as per the applicable provisions of the Act and the prevailing HR policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, subject to compliance of applicable laws, for the benefit of the Company.

PART – C

12. Matters Relating to the Remuneration & Perquisites

a. The NRC, while deciding the remuneration/ compensation/profit-linked commission for the Directors, Key Managerial Personnel and other employees, to ensure:

(i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(ii) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(iii) That the remuneration to directors, key managerial personnel and other employees including senior management officials involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

b. The remuneration/ compensation/ profit-linked commission, etc. to the MD/WTD/ Manager, Directors and Independent Directors and increments thereto will be determined by the NRC subject to the approval of the Board, shareholders of the Company and Central Government, wherever required, in accordance with the percentage/ slabs/conditions in terms of the applicable provisions of the Act.

c. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

d. Determination of remuneration and increments of KMP, Senior Management officials and other employees shall be effected in terms of the HR policies of the Company.

13. Remuneration to MD/WTD/Manager

a. Remuneration

Subject to Section 197 and Schedule V of the Act, the MD/WTD/Manager will be eligible for remuneration either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other with the approval of the Shareholders of the Company on the recommendation of the NRC and the Board. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required in terms of the provisions of the Act.

b. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD/ WTD/Manager in accordance with the Act and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

c. Provisions for excess remuneration

If any MD/WTD/Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

14. Remuneration to Non-Executive/ Independent Director

a. Sitting Fees

The Non-executive Directors of the Company, whether Independent or not, may be paid sitting fees within maximum limit prescribed by the Act from time to time for attending meetings of the Board or Committees thereof. The quantum of sitting fees will be determined as per the recommendation of NRC and approved by the Board of Directors of the Company. The Company may make arrangement or reimburse the expenses incurred by the Non-Executive/ Independent Director(s) for travelling, boarding and lodging for participation in the Board or Committee meetings.

b. Commission

The Board, on recommendation of NRC, may consider the payment of profit based commission to the Non-Executive/ Independent Directors and such commission may be paid within the prescribed limits and subject to the Board approvals in terms of the provisions of Act from time to time. The net profits for the purposes of calculation of commission shall be computed in the manner referred to in section 198 of Act.

c. Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. The officers or other employees of the Company and its subsidiaries will be granted stock options in terms of the Company Employees Stock Option policy subject to special resolution passed by company and such other conditions as may be prescribed by the Act.

15. Remuneration to KMP, Senior Management Personnel and Other Employees

a. The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration, salary advance and loans etc. as per the Company's HR policies and/or as approved by the NRC. The break-up of the pay scale and quantum of perquisites including employer's contribution to P.F., pension scheme, medical expenses, club fees, etc. shall be as per the Company's HR policies.

b. As and when required by the NRC, a presentation shall be given by the HR Head detailing the performance bonus payouts as well as the proposed increments in any financial year. The NRC shall peruse and give its suggestions, if any, on the process for giving increments and performance bonus payouts for implementation by the Company.

c. This Policy shall apply to all future/ continuing employment/engagement(s) with the Company. In other respects, the Policy shall be of guidance for the Board. Any departure from the Policy shall be recorded and reasoned in the NRC and Board meeting minutes.

d. The remuneration for KMP and Senior Managerial Personnel of the Company shall be approved by the NRC based on the recommendation of the Chairman & Managing Director and for other employees based on the recommendation of the HR Head in consultation with the Heads of various Department/Hotels of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the NRC and/ or the Board of Directors/Shareholders, then such approval will be accordingly obtained.

16. Dissemination

The key features of the Policy shall be published on Company's website and accordingly will also be disclosed in the Annual Report as part of Board's report therein.

17. Miscellaneous

a. The NRC or the Board may review the Policy as and when it deems necessary.

b. The NRC may issue the guidelines, procedures, formats, reporting mechanism for better implementation of this Policy, wherever it thinks necessary.

c. This Policy may be amended or substituted, in whole or in part, by the NRC or Board.

d. In case of any statutory change not being consistent with the provisions laid down under this Policy, then such change shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such statutory change to the Act and the Compliance Officer of the Company shall ensure that such amendment is disseminated on the website of the Company, wherever required.

ANNEXURE-3

Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the company's CSR policy: The CSR policy was formulated in terms of provision of Section 135(4) of the Companies Act, 2013 read with Rule 6 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per CSR policy the Company shall undertake any CSR activities/ projects/programs in the areas as specified in Schedule VII of the Act as amended from time to time.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Paramartha Saikia (Chairman & Member)	Non-Executive Independent Director	3	3
2	Mr. Patanjali Govind Keswani (Member)	Chairman and Managing Director	3	3
3	Mr. Aditya Madhav Keswani (Member)	Non-Executive Director	3	2
4	Ms. Freyan Jamshed Desai (Member)	Non-Executive Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Composition of CSR committee, CSR Policy approved by the board are available in the 'Investors Relation' section at the Company's website https://www.lemontreehotels.com/factsheet/Policies/Corporate_Social_Responsibility_Policy.pdf.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	

6. Average net profit of the company as per section 135(5): ₹2062.28 Lakhs

7. (a) 2% of average net profit of the company as per section 135(5): ₹41.25 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NA

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹41.25 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹41,25,000	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration. Name	Amount allocated for the project (in ₹). CSR Registration number.	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency
				State.	District.						
N.A.											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation- Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR registration number
1	Special Needs Centre	(ii) employment enhancing vocational skills	Yes	Uttarakhand- Dehradun		7,24,000	No	Aasraa Trust	CSR00000096
2	Upskilling of Youth with Disabilities towards Employment in AADI's Urban Community Based Rehabilitation (UCBR) Program	(ii) employment enhancing vocational skills	Yes	Delhi-Shahdara district		7,24,000	No	Action for Ability Development & Inclusion (AADI)	CSR00001949
3	Workplace at Ananda, Gurugram and work and Employment Program at Jasola Vihar, New Delhi	(ii) employment enhancing vocational skills	Yes	Delhi-South East Haryana-Gurugram		7,24,000	No	Action for Autism	CSR00001344
4	Training and employment of Persons with intellectual & developmental disability in Mainstream workplaces	(ii) employment enhancing vocational skills	Yes	Delhi- South West Haryana- Gurugram		7,24,000	No	Muskaan-PAEPID	CSR00005862
5	Main streaming deaf youth through skill development and livelihoods (UCBR) Program	(ii) employment enhancing vocational skills	Yes	Uttar Pradesh– Gautam Budh Nagar		7,24,000	No	Noida Deaf Society	CSR00000396
6	Employability skills training program for Speech and Hearing Impaired	(ii) employment enhancing vocational skills	Yes	New Delhi- West Rajasthan -Jaipur Bihar - Patna Madhya Pradesh - Indore and Gwalior		5,05,000	No	Sai Swayam Society For The Hearing Impaired	CSR00000290

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹41,25,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	41,24,562
(ii)	Total amount spent for the Financial Year	41,25,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	438
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
N.A								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: Not Applicable

For & On behalf of the Board of Directors
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Sd/-
Paramartha Saikia
Chairman-CSR Committee
DIN: 07145770

DATE: 29th May, 2024
PLACE: Mumbai

ANNEXURE-4

Statement Containing Salient Features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

[Form AOC-1: Pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

PART "A": SUBSIDIARIES

(₹ in Lakhs)

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	**Fleur Hotels Pvt. Ltd.**	**Canary Hotels Pvt. Ltd.**	**Carnation Hotels Pvt. Ltd.**	**Totally Foxed Solutions Pvt. Ltd.**	**Lemon Tree Hotel Company Pvt. Ltd. ***	**Manakin Resorts Pvt. Ltd.**	**Oriole Dr. Fresh Hotels Pvt. Ltd.**	**Sukhsagar Complexes Pvt. Ltd.**
Date since when subsidiary was acquired	25.09.2009	18.05.2012	18.01.2007	11.08.2022	24.01.2007	13.02.2009	10.01.2013	10.01.2013
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A	N.A.	N.A.	N.A.	N.A.
Share Capital#	9,783.15	5,009.45	9.35	801.00	3.50	571.43	410	1,019.50
Reserves & surplus	1,55,839.04	(1,947.49)	3,519.69	(11.78)	(4.66)	782.52	1,372.54	256.25
Total Assets	2,83,071.59	4,790.97	3,919.54	4,227.52	0.97	1,440.31	4,450.78	4,746.33
Total Liabilities	1,17,449.40	1,729.01	390.50	3,438.30	2.13	86.36	2,668.24	3,470.58
Investments**	-	-	-	-	-	-	-	-
Turnover	43,291.59	1,318.06	3,502.26	-	-	245.79	778.72	1,305.58
Profit/ (Loss) before taxation	5,604.60	(36.63)	2323.21	(2.64)	(0.39)	(26.03)	(129.92)	155.41
Provision for taxation	-	-	580.54	-	-	-	-	-
Profit/ (Loss) after taxation	5,604.60	(36.63)	1,742.67	(2.64)	(0.39)	(26.03)	(129.92)	155.41
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding***	58.91%	100%	100%	100%	100%	100%	100%	100%

(₹ in Lakhs)

Sl. No.	9	10	11	12	13	14	15	16
Name of the Subsidiary	**Nettle Hotels Pvt. Ltd*(Formerly known as Poplar Homestead Holdings Pvt. Ltd.)**	**Red Fox Hotel Company Pvt. Ltd. ***	**Arum Hotels Pvt. Ltd* (Formerly known as Jessamine Stays Pvt. Ltd.)**	**Madder Stays Pvt. Ltd***	**Hamstede Living Pvt. Limited**	**Bandhav Resorts Pvt. Lt**	**Hyacinth Hotels Pvt. Ltd.**	**Ophrys Hotels Pvt. Ltd.***
Date since when subsidiary was acquired	29.11.2018	10.01.2013	28.11.2018	28.11.2018	31.03.2021	13.05.2016	19.07.2007	10.01.2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Share Capital#	1.00	3.00	1.00	1.00	2,950	131.11	82.10	2.50
Reserves & surplus	(1.22)	(4.35)	(1.23)	(1.17)	(2,662.47)	1,283.29	4,515.28	(4.33)
Total Assets	1.37	0.88	1.36	1.42	288.39	1,460.93	25,314.90	0.29
Total Liabilities	1.59	2.23	1.59	1.59	0.86	46.53	20,717.52	2.12
Investments**	-	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	272.43	8,190.50	-
Profit/ (Loss) before taxation	(0.19)	(0.42)	(0.19)	(0.18)	2.74	6.94	1,899.19	(0.37)
Provision for taxation	-	-	-	-	-	-	(948.11)	-
Profit/(Loss) after taxation	(0.19)	(0.42)	(0.19)	(0.18)	2.74	6.94	2,847.30	(0.37)
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding***	100%	100%	100%	100%	100%	58.91%	58.91%	58.91%

(₹ in Lakhs)

Sl. No.	17	18	19	20
Name of the Subsidiary	**Berggruen Hotels Private Limited**	**Celsia Hotels Pvt. Ltd.**	**Inovoa Hotels And Resorts Ltd.**	**Iora Hotels Pvt. Ltd.**
Date since when subsidiary was acquired	01.11.2019	29.03.2012	16.08.2013	14.11.2013
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.
Share Capital#	5,455.16	3.53	3,828	1,955.80
Reserves & surplus	27,296.11	9,011.18	(1,471.80)	35,792.94
Total Assets	46,973.09	13,260.19	6,197.41	95,400.23
Total Liabilities	14,221.82	4,245.48	3,841.21	57,651.49
Investments**	-	702.14	-	-
Turnover	8,069.14	3,718.71	1,895.76	7,277.27
Profit/(Loss) before tax	(805.63)	1,509.19	169.70	(849.65)
Provision for taxation	-	433.17	56.77	(194.50)
Profit/(Loss) after tax	(805.63)	1,076.02	112.93	(655.15)
Proposed Dividend	-	-	-	-
% of shareholding***	58.91%	58.91%	58.91%	58.91%

Notes:

** Subsidiaries which are yet to commence operations.*

*** Investments except investments in subsidiaries.*

**** % of shareholding covers both direct and indirect shareholding in the subsidiaries.*

 # Includes only equity share capital

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint ventures

Sl. No	1	2	3
Name of the Associate/Joint Ventures	**Mind Leaders Learning India Pvt. Ltd.**	**Pelican Facilities Management Pvt. Ltd**	**Glendale Marketing Services Pvt. Ltd.**
Last audited Balance Sheet Date	31st March 2024	31st March 2024	31st March 2024
Date on which the Associate or Joint Venture was associated or acquired	06.06.2017	20.06.2017	10.12.2019
Shares of Associate held by the Company at year end: (Number)			
Amount of investment in Associate	INR 3.40 Lakhs	-	-
Total number of shares	3,40,000 Equity Shares	-	-
Extent of holding %	36.56%	-	
Description of how there is significant influence	Due to percentage of shareholding	Being 100% subsidiary of our associate Mind Leaders Learning India Pvt. Ltd.	Being 100% subsidiary of our associate Pelican Facilities Management Pvt. Ltd.
Reason why the associate/joint venture is not consolidated		N.A	N.A
Net worth attributable to shareholding as per latest audited balance sheet	1434.09	-	-
Profit for the year (Consolidated)			
Considered in consolidation	70.04	N.A	N.A
Not considered in consolidation	N.A	N.A	N.A

For & On behalf of the Board of Directors
Lemon Tree Hotels Limited

Sd/-	Sd/-	Sd/-
Kapil Sharma	**Jyoti Verma**	**Patanajali Govind Keswani**
Chief Financial Officer	Group Company Secretary & Compliance Officer	Chairman & Managing Director
	M. No.: F7210	DIN: 00002974

Date: 29th May, 2024
Place: Mumbai

'Annexure - 5'

Corporate Governance Report

Introduction

The Company believes in good corporate governance practices. In compliance with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report containing the details of Corporate Governance of the Company is as follows:

Company's Philosophy on Corporate Governance

The Company's corporate governance philosophy revolved around fair and transparent governance and disclosure practices in line with the Principles of Good Corporate Governance. This philosophy is backed by principles of concerns, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, clients, associates and the community at Large. The Company believes that good Corporate Governance is a continuous process and strives to improve its Corporate Governance practices to meet shareholder's expectations. The business is governed and supervised by a strong Board of Directors and together with the management, they are committed to uphold the principles of excellence across all activities.

The Company is compliant with the latest provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") as amended from time to time.

Composition of the Board

The Company is managed and controlled through the Board which comprises a combination of Executive and Non-Executive Directors (including Independent Non-Executive Directors) headed by the Executive Chairman. As on 31st March, 2024, the Board consists of 10 Directors, 7 (70%) of which were Independent Non-Executive Directors (including two Woman Director) and 2 were Non-Executive Non-Independent Directors.

The composition of the Board satisfies the conditions of the SEBI (LODR) Regulations.

S. No.	Name of Directors/KMP's	Designation
1	Mr. Patanjali Govind Keswani$	Chairman & Managing Director
2	Mr. Niten Malhan	Vice Chairman & Lead Independent Director (Non-Executive)
3	Dr. Arindam Kumar Bhattacharya*	Non-Executive Independent Director
4	Mr. Paramartha Saikia	Non-Executive Independent Director
5	Ms. Freyan Jamshed Desai	Non-Executive Independent Director
6	Mr. Willem Albertus Hazeleger	Non-Executive Director
7	Mr. Aditya Madhav Keswani	Non-Executive Director
8	Mr. Praveen Garg^	Non-Executive Independent Director
9	Mr. Sanjiv Nandan Sahai^	Non-Executive Independent Director
10	Ms. Smita Anand^	Non-Executive Independent Director

$ Re-appointed as Chairman and Managing Director for a period of three years w.e.f 1st April, 2023 till 31st March 2026. His re-appointment has been approved by the members of the Company through Special Resolution passed via Postal ballot on 13th June, 2023.

** Dr. Arindam Kumar Bhattacharya ceased to be director w.e.f. 10th April, 2024 due to completion of his tenure.*

^ Mr. Praveen Garg, Mr. Sanjiv Nandan Sahai and Ms. Smita Anand has been appointed as Independent Directors for a first term of five years w.e.f. 09th November, 2023 till 8th November, 2028. Their appointment has been approved by the members of the Company through Special Resolution(s) passed via Postal ballot on 18th January, 2024.

Notes:

1. *Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024, have been made by the Directors.*
2. *None of the Directors are related to other Directors and the Key Managerial Personnel of the Company except Mr. Patanjali Govind Keswani and Mr. Aditya Madhav Keswani as father and son.*

Board Meetings

During the Financial Year under review, the Board met five (5) times on 28th April, 2023, 30th May, 2023, 10th August, 2023, 9th November, 2023 and 6th February, 2024. The maximum gap between any two Board meetings was less than one hundred and twenty (120) days. All Board meetings during the Financial Year under review were held either in person or through Video Conferencing (VC) and deemed venue of the meetings held through VC is Registered & Corporate Office of the Company at Asset No. 6, Aerocity Hospitality District, New Delhi-110037, India. The necessary quorum was present for all the meetings.

The agenda papers and detailed notes are circulated to the Board well in advance of every meeting. Where it is not practicable to attach any document to the agenda, then the same is placed before the Board at the meeting and in special circumstances additional items on the agenda are taken up at the meeting. The conduct of the Board meetings is in compliance with the applicable provisions of the Act and the Secretarial Standards on meetings of the Board of Directors issued by the Institute of Company Secretaries of India. In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting.

Directors' Attendance Record and Directorships/ Committee Membership

Details of other Directorship and Chairmanship /Membership of Committees of each Director and Attendance of Directors at Board Meetings and last Annual General Meeting is as below:

Name of the Director	Category	No. of Board Level Committee Memberships / Chairmanships In other Indian Public Companies (5)		Attendance Particulars			No of Director ships (1)	Name of other Listed Entities in which they are director/ Independent Director (ID)
				No. of Board Meetings		Attendance at last AGM		
		Member	Chairman	Held/ entitled to attend	Attended	Attended		
Mr. Patanjali Govind Keswani	Promoter/ Executive Chairman & Managing Director	1	0	5	5	Yes	10	-
Mr. Aditya Madhav Keswani	Promoter/ Non-Executive Director	0	0	5	5	Yes	6	-
Mr. Willem Albertus Hazeleger	Non-Executive Director	0	0	5	5	Yes	1	-
Mr. Niten Malhan	Non-Executive Independent Director	4	1	5	5	Yes	8	1. Max India Ltd. (Independent Director) 2. Max Estates Ltd. (Independent Director)
Dr. Arindam Kumar Bhattacharya*	Non-Executive Independent Director	6	0	5	5	Yes	6	1. Bajaj Holdings and Investment Ltd. (Independent Director) 2. Info Edge India Ltd. (Independent Director) 3. Bajaj Finance Ltd. (Independent Director)
Mr. Paramartha Saikia	Non-Executive Independent Director	2	0	5	4	Yes	7	Salora International Ltd. (Independent Director)
Ms. Freyan Jamshed Desai	Non-Executive Independent Director	1	1	5	5	Yes	4	-
Ms. Smita Anand	Non- Executive Independent Director	2	0	1	1	No	3	1. Butterfly Gandhimathi Appliances Ltd. (Independent Director) 2. Crompton Greaves Consumer Electricals Ltd. (Independent Director)
Mr. Sanjiv Nandan Sahai	Non- Executive Independent Director	1	0	1	1	No	1	
Mr. Praveen Garg	Non- Executive Independent Director	1	1	1	1	No	3	-

** Dr. Arindam Kumar Bhattacharya ceased to be a Non-Executive Independent Director of the Company w.e.f. 10th April, 2024.*

Notes:

(1) The Directorships held by Directors as mentioned above (includes Lemon Tree Hotels Limited) does not include alternate directorships and directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

(2) None of the Directors of the Company hold Directorships in more than 20 (Twenty) Companies or more than 10 (Ten) public companies whether listed or not. Necessary disclosures regarding Directorship positions in other companies as on 31st March, 2024 have been made by the Directors.

(3) None of the Directors on the Board is a member of more than 10 (Ten) committees or Chairman of more than 5 (Five) committees (as specified in Regulation 26 of the SEBI (LODR) Regulations across all public limited companies, whether listed or not, in which he is a Director

(4) The Independence of a Director is determined by the criteria stipulated under Regulation 16(1)(b) of SEBI (LODR) Regulations, Section 149(6) of the Companies Act, 2013 and rules made thereunder.

(5) In accordance with the SEBI (LODR) Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders Relationship Committee/Shareholders'/Investors' Grievance Committee of all public limited Companies (including Lemon Tree Hotels Limited) have been considered.

(6) Includes Attendance, if any, through Video Conferencing facilities, provided to the directors to facilitate participation in the meetings.

Independent Directors

Mr. Niten Malhan, Mr. Paramartha Saikia, Dr. Arindam Kumar Bhattacharya, Ms. Smita Anand, Mr. Sanjiv Nandan Sahai, Mr. Praveen Garg and Ms. Freyan Jamshed Desai were the Independent Directors of the Company as on 31st March, 2024.

Terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at https://www.lemontreehotels.com/factsheet/Policies/Terms_and_Condition_for_Appointment_of_Independent_Directors.pdf.

Independent Directors neither serve in more than 7 (seven) listed companies nor any Independent Director who is a Whole Time Director in any other Company serves as Independent Director in more than 3 (three) listed companies.

All the Independent Directors has given necessary declarations in terms of Section 149(7) of the Act and SEBI (LODR) Regulations that they meet the criteria of independence as laid down under Section 149(6) of the Act and SEBI (LODR) Regulations and the Board hereby confirms that the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Independent Directors Meeting

A separate meeting of the Independent Director's was held on 28th May, 2024 without the presence of Executive Directors or non-independent Directors and members of the management.

The Independent Directors in the said meeting had, inter-alia:

i. reviewed the performance of non-independent directors and the Board as a whole;

ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company does not have any pecuniary relationship with any Non-Executive or Independent Director except for payment of sitting fees to Independent Director for attending the Board and committee meetings.

Familiarization Programme(s) for Independent Directors

Orientation and familiarization programmes are conducted from time to time through reports/internal policies/presentations to enable them to understand their roles and responsibilities, nature of the industry in which the Company operated, business model of the Company, it's strategic and operating plans. The Code of Conduct for the Director's, the Code of Conduct to Regulate, Monitor and Report trading by insiders, the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information and various other policies are also shared with them, from time to time. Further, during the year, presentations were also made from time to time at the Board and its Committee meetings, on regular intervals, covering the business and financial performance of the Company, business outlook and budget, expansion plans, succession plans etc.

The details of the familiarization programme for the Independent Directors are available on the website of the Company at

https://www.lemontreehotels.com/factsheet/Policies/Familiarization_Programme_for_Independent_Directors.pdf

Matrix Setting Out the Skills/Expertise/Competence of the Board of Directors

The Board of Directors has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Leadership	Extended Leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long term growth.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.
Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principle financial officer, principle accounting officer, controller, public accountant, auditor or person performing similar function.
Sales & Marketing	Experience in developing strategies to grow sales and market share, build awareness and equity and enhance enterprise reputation.

In terms of requirement of Listing Regulations, the Board has identified the following core skills / expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

Name of the Director	Business	Leadership	Strategy and Planning	Governance	Financial	Sales & Marketing
Mr. Patanjali Govind Keswani	√	√	√	√	√	√
Mr. Aditya Madhav Keswani	√	√	√	√		
Mr. Willem Albertus Hazeleger	√	√	√	√	√	
Dr. Arindam Kumar Bhattacharya*	√	√	√	√	√	
Mr. Paramartha Saikia	√	√		√		√
Mr. Niten Malhan	√	√	√	√	√	
Ms. Freyan Jamshed Desai	√	√		√	√	
Ms. Smita Anand		√	√	√		√
Mr. Praveen Garg	√	√	√	√	√	
Mr. Sanjiv Nandan Sahai	√	√	√	√	√	

** Dr. Arindam Kumar Bhattacharya ceased to be an Independent Non-Executive Director of the Company effective 10th April, 2024.*

Shares and Convertible Instruments held by Non-Executive Directors

The shareholding of Non-Executive Directors as on 31st March, 2024 is as follows:

Name of the Director	Designation	No. of Shares Held (face value of ₹ 10 each)
Mr. Niten Malhan	Vice Chairman and Lead Independent Non-Executive Director	-
Dr. Arindam Kumar Bhattacharya*	Independent Non-Executive Director	7,82,740
Mr. Paramartha Saikia	Independent Non-Executive Director	1,06,160
Ms. Smita Anand	Independent Non-Executive Director	-
Mr. Praveen Garg	Independent Non-Executive Director	-
Mr. Sanjiv Nandan Sahai**	Independent Non-Executive Director	70,722
Ms. Freyan Jamshed Desai	Independent Non-Executive Director	-
Mr. Willem Albertus Hazeleger	Non-Executive Director	-
Mr. Aditya Madhav Keswani	Non-Executive Director	-

** Dr. Arindam Kumar Bhattacharya ceased to be an Independent Non-Executive Director of the Company effective 10th April, 2024.*

*** Includes shares held jointly with his daughter.*

As on 31st March, 2024, the Company does not have any convertible instruments.

Committees of Board of Directors

The mandatory Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Corporate Social Responsibility Committee;
4. Stakeholder's Relationship Committee; and
5. Risk Management Committee.

The composition of all the mandatory Committees meets the requirements of the Act and the SEBI (LODR) Regulations.

The details of the role and composition of the Committees of the Board including the number of meetings held during the Financial Year under review and attendance thereat, are provided below.

Audit Committee

Brief Terms of reference:

The terms of reference of the Audit Committee satisfy the requirement of Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (LODR) Regulations.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Chairman of the Committee is financially literate and all other members of the Audit Committee have accounting or related financial management expertise.

The Audit Committee of the Company, inter alia, performs the following functions:

a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b. Recommending to the Board, the appointment, reappointment, terms of appointment and, if required, the replacement or removal of the – statutory auditor and the fixation of audit fees.

c. Approving payment to statutory auditors for any other services rendered by the statutory auditors.

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-Section(3) of Section 134 of the Companies Act 2013;

   ii) Changes, if any, in accounting policies, practices and reasons for the same;

   iii) Major accounting entries involving estimates based on the exercise of judgment by management;

   iv) Significant adjustments made in the financial statements arising out of audit findings;

   v) Compliance with listing and other legal requirements relating to financial statements;

   vi) Disclosure of any related party transactions; and

   vii) Qualifications in the draft audit report.

e. Reviewing the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies).

f. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

g. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or Right issue, and making appropriate recommendations to the Board to take up steps in this matter.

h. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

i. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed.

j. Scrutiny of inter-corporate loans and investments.

k. Valuation of undertakings or assets of the listed entity, wherever it is necessary.

l. Evaluation of internal financial controls and risk management systems.

m. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

o. Discussing with internal auditors of any significant findings and follow up there on.

p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

q. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

r. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

s. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.

t. To review the functioning of the whistle blower mechanism.

u. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

v. Oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns in appropriate and exceptional cases.

w. Mandatorily review the following:

   - management discussion and analysis of financial condition and results of operations;
   - management letters / letters of internal control weaknesses issued by the statutory auditors;
   - internal audit reports relating to internal control weaknesses;
   - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
     - statement of deviations;
     - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulations;
     - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulations.

x. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

y. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

z. Any other matter as may be prescribed, from time to time, to be referred to the Audit Committee in terms of the Companies Act 2013/ SEBI (LODR) Regulations and the applicable rules, regulations thereto.

Composition, Meetings and Attendance of the Audit Committee

The Audit Committee constituted is in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations.

During the Financial Year under review, the Audit Committee met Six (6) times on 28th April, 2023, 29th May, 2023, 9th August, 2023, 8th November, 2023, 13th December, 2023 and 5th February, 2024 with the necessary quorum being present at each meeting.

Name of the Members	Category	No. of Meetings attended
#Mr. Niten Malhan (Chairman)	Independent Non-Executive Director	6
*Dr. Arindam Kumar Bhattacharya	Independent Non-Executive Director	6
Ms. Freyan Jamshed Desai	Independent Non-Executive Director	5
**Mr. Sanjiv Nandan Sahai	Independent Non-Executive Director	N.A.
$Mr. Praveen Garg	Independent Non-Executive Director	N.A.

 # Mr. Niten Malhan ceased to be Chaiman and Member of the Audit Committee w.e.f 29th May, 2024

** Dr. Arindam Kumar Bhattacharya ceased to be an Independent Director and member of the Audit Committee of the Company effective 10th April, 2024.*

*** Mr. Sanjiv Nandan Sahai was appointed as member of the Audit Committee w.e.f. 6th February, 2024.*

$ Mr. Praveen Garg was appointed as member of the Audit Committee w.e.f. 6thFebruary, 2024 and designated as Chairperson w.e.f. 29th May, 2024.

The Company Secretary of the Company acts as the Secretary for the Audit Committee.

Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee satisfy the requirement of Section 178 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 19 of the SEBI (LODR) Regulations and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Committee also acts as Compensation Committee and is responsible for administering the Employee Stock Option Plan of the Company and determining eligibility of employees for stock options.

The Nomination and Remuneration Committee of the Company, inter alia, performs the following functions:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.

b. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   i. use the services of an external agencies, if required;

   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   iii. consider the time commitments of the candidates

c. Formulation of criteria for evaluation of performance of independent directors and the Board.

d. Devising a policy on diversity of the Board.

e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.

f. Extension or continuance of the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

g. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance(including that of independent directors).

h. Recommend to the board, all remuneration, in whatever form, payable to senior management

i. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI (LODR) Regulations or by any other applicable law or regulatory authority.

Composition, Meetings and Attendance of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee constituted is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations.

During the Financial Year under review, the Nomination & Remuneration Committee met three (3) times on 30th May, 2023, 10th August, 2023 and 9th November, 2023 with the necessary quorum being present at each meeting:

Name of the Members	Category	No. Of Meetings attended
$Mr. Niten Malhan (Chairman)	Independent Non-Executive Director	3
Mr. Paramartha Saikia	Independent Non-Executive Director	3
Ms. Freyan Jamshed Desai	Independent Non-Executive Director	3
*Dr. Arindam Kumar Bhattacharya	Independent Non-Executive Director	3
**Ms. Smita Anand	Independent Non-Executive Director	N.A.
#Mr. Willem Albertus Hazeleger	Non-Executive Director	N.A.
Mr. Sanjiv Nandan Sahai	Independent Non-Executive Director	N.A.

1. $ Mr. Niten Malhan ceased to be Chairman and member with effect 29th May, 2024.
2. *Dr. Arindam Kumar Bhattacharya ceased to be the member of the Committee w.e.f. 10th April, 2024.
3. **Ms. Smita Anand was appointed as member of the Nomination and Remuneration Committee w.e.f. 6th February, 2024 and designated as Chairperson w.e.f 29th May, 2024.
4. # Mr. Willem Albertus Hazeleger has been inducted as the member w.e.f. 29th May, 2024.

The Company Secretary of the Company acts as the Secretary for the Nomination & Remuneration Committee.

Performance Evaluation Criteria for Directors

Pursuant to the provisions of Section 134(3)(p) of the Act read with the SEBI (LODR) Regulations, the Nomination and Remuneration Committee carried out the annual performance evaluation of the Directors individually including the Chairman and the Board evaluated the overall effectiveness of the Board of Directors including its Committees based on the ratings given by the Nomination & Remuneration Committee of the Company.

The performance evaluation of the Independent Non-Executive Directors was carried out by the entire Board on the criteria and framework adopted by Board (the concerned Director being evaluated did not participate). On the basis of ranking filled in the evaluation questionnaire and discussion of the Board, the Directors have expressed their satisfaction on the performance of the Independent Non-Executive Directors.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board was constituted to oversee the CSR Policy and recommend and monitor the amount of expenditure to be incurred on the activities mentioned in Schedule VII of the Act.

The terms of reference of the Corporate Social Responsibility Committee inter alia includes the following:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 and make any revisions therein as and when decided by the Board.

b) To recommend the amount of expenditure to be incurred on the activities referred to in (a).

c) To monitor the Corporate Social Responsibility Policy of the company from time to time.

d) To do such other acts, deeds and things as may be required to comply with the applicable laws.

e) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI (LODR) Regulations or statutorily prescribed under any other law or by any other regulatory authority.

Composition, Meetings and Attendance of the Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted with the following members in compliance with the provisions of Section 135 of the Act.

During the Financial Year under review, three (3) meeting of the Corporate Social Responsibility Committee has been held on 30th May, 2023, 9th November, 2023 and 5th March, 2024 with the necessary quorum being present at the meeting.

Name of the Members	Category	No. Of Meetings attended
Mr. Paramartha Saikia (Chairman)	Non-Executive Independent Director	3
Mr. Patanjali Govind Keswani	Executive - Chairman & Managing Director	3
Mr. Aditya Madhav Keswani	Non- Executive Director	2
Ms. Freyan Jamshed Desai	Non- Executive Independent Director	3

Note: The Company Secretary of the Company acts as the Secretary for the Corporate Social Responsibility Committee.

The CSR policy adopted by the company is uploaded on the website of the company at

https://www.lemontreehotels.com/factsheet/Policies/Corporate_Social_Responsibility_Policy.pdf

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted in terms of Section 178 of the Act and Regulation 20 of the SEBI(LODR) Regulations, for redressal of investor complaints, shareholders related issues, transfer/transmission of securities etc.

The terms of reference of the Stakeholders Relationship Committee inter-alia includes the following:

a. Monitoring the grievance and redressal of all security holders' grievances such as complaints related to non-receipt of allotment/ refund, review of cases for refusal of transfer/ transmission of shares, including non-receipt of share certificates, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints.

b. Allotting of equity shares, giving effect to all transfer/ transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, splitting and issuing of duplicate/ consolidated share certificates, complying with all the requirements related to shares, debentures and other securities from time to time.

c. Reviewing statutory compliances pertaining to share/security capital, processes, shareholders and depositories(NSDL/CDSL).

d. Oversee the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

e. Review of measures taken for effective exercise of voting rights by shareholders

f. Review of the adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent.

g. Review of the various measured and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

h. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Composition, Meetings and Attendance of the Stakeholder's Relationship Committee

The Stakeholders' Relationship Committee constituted is in compliance with the provisions of Section 178 (5) of the Act and the SEBI (LODR) Regulations.

During the Financial Year under review, one (1) meeting of the Stakeholder's Relationship Committee has been held on 30th May, 2023 with necessary quorum being present at the meeting:

Name of the Members	Category	No. Of Meetings attended
Ms. Freyan Jamshed Desai (Chairperson)	Independent Non-Executive Director	1
Mr. Paramartha Saikia	Independent Non-Executive Director	1
Mr. Patanjali Govind Keswani	Executive- Chairman & Managing Director	1

The Company Secretary of the Company acts as the Secretary for the Stakeholder's Relationship Committee.

Name and Designation of Compliance Officer:

Ms. Jyoti Verma
Group Company Secretary & Compliance officer

Investor Grievances/Complaints

The details of the investor complaints received and resolved during the Financial Year 2023-24 are as follows:

Number of Investor Complaints received so far	0
Number of complaints resolved	0
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints	0
Closing Balance	0

Risk Management Committee

The Risk Management Committee has been constituted in terms of Regulation 21 of the SEBI (LODR) Regulations and the terms of reference of the Risk Management Committee inter alia includes the following:

(1) To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cybersecurity risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Composition, Meetings and Attendance of the Risk Management Committee

The Risk Management Committee with the following members is in compliance with the provisions of Regulation 21 of SEBI (LODR) Regulations.

During the Financial Year under review, three (3) meetings of the Risk Management Committee have been held on 30th May, 2023, 9th November, 2023, and 6th February, 2024 with the necessary quorum being present at the meeting:

Name of the Members	Category	No. Of Meetings attended
@Ms. Freyan Jamshed Desai (Chairperson)	Independent Non-Executive Director	3
Mr. Patanjali Govind Keswani	Executive - Chairman & Managing Director	3
*Dr. Arindam Kumar Bhattacharya	Independent Non-Executive Director	3
Mr. Niten Malhan	Independent Non-Executive Director	3
**Mr. Willem Albertus Hazeleger	Non- Executive Director	2
***Mr. Vikramjit Singh	Senior Management (President)	2
#Mr. Kapil Sharma	Senior Management (Chief Financial Officer)	3
$Mr. Praveen Garg	Independent Non-Executive Director	N.A
^Mr. Aditya Madhav Keswani	Non- Executive Director	N.A

@ ceased to be chairperson and member of the Committee w.e.f. 29th May, 2024.
** ceased to be the member of the Committee w.e.f. 10th April, 2024.*
*** appointed as member of the Committee w.e.f. 30th May, 2023; designated as chairperson w.e.f 29th May, 2024*
**** ceased to be the Member of the Committee w.e.f. 31st January, 2024.*
 # ceased to be member of the Committee w.e.f 6th February, 2024.
$ appointed as member with effect from 29th May, 2024.
^ appointed as member with effect from 29th May, 2024.

Particulars of Senior Management and Changes therein Since the Close of the Previous Financial Year

Name of the Senior Management Personnel ('SMP")	Designation	Changes if any, since the close of Previous Financial year (Yes/No)	Nature of Change and effective date
Mr. Vikramjit Singh	President	Yes	Resigned as President w.e.f. 31st January, 2024
Mr. Davander Tomar	EVP- Corporate Affairs	No	-
Mr. Kapil Sharma	EVP- Finance & CFO	No	-
Mr. Jagdish Kumar Chawla	EVP- Projects & Engineering	No	-
Ms. Harleen Mehta	Senior VP- Sales	No	-
Mr. Rajesh Kumar	Senior VP- HR	No	-
Ms. Ritu Ranjan	Senior VP- Aesthetics & Design	No	-
Mr. Vilas Pawar	CEO- Managed and Franchised Division	No	-
Ms. Aradhana Lal	Senior VP- Sustainability & ESG	No	-
Mr. Sumant Jaidka	Senior VP- Ops & COO	No	-
Mr. Nikhil Sethi	AVP Legal & Group Company Secretary & Compliance officer	Yes	Resigned w.e.f. 31st October, 2023
Ms. Jyoti Verma	Group Company Secretary & Compliance Officer	Yes	Appointed w.e.f. 21st November, 2023

Remuneration of Directors

Details of Remuneration paid or payable to Directors for the year ended 31st March, 2024:

Name of the Director^	Category	Salary including Perquisite & PF (₹ In Lakhs)	Sitting Fees^^ (₹ In Lakhs)	Tenure Upto	Notice Period	Total (₹ In Lakhs)
Mr. Patanjali Govind Keswani*	Executive (Chairman & MD)	429.25	N.A.	31.03.2026	N.A.	429.25
Mr. Aditya Madhav Keswani	Non-Executive Director	Nil	N.A.	N.A.	N.A.	Nil
Mr. Willem Albertus Hazeleger	Non-Executive Director	Nil	0.85	N.A.	N.A.	0.85
Ms. Freyan Jamshed Desai	Non-executive Independent Director	Nil	8.45	14.06.2027	N.A.	8.45
Mr. Niten Malhan	Vice Chairman and Lead Independent Non-Executive Director	Nil	8.55	05.11.2025	N.A.	8.55
Mr. Paramartha Saikia	Independent Non- Executive Director	Nil	4.90	14.06.2027	N.A.	4.90

Name of the Director^	Category	Salary including Perquisite & PF (₹ In Lakhs)	Sitting Fees^^ (₹ In Lakhs)	Tenure Upto	Notice Period	Total (₹ In Lakhs)
Dr. Arindam Kumar Bhattacharya**	Independent Non Executive Director	Nil	8.55	10.04.2024	N.A.	8.55
Ms. Smita Anand#	Independent Non- Executive Director	Nil	0.75	08.11.2028	N.A.	0.75
Mr. Praveen Garg#	Independent Non-Executive Director	Nil	0.75	08.11.2028	N.A.	0.75
Mr. Sanjiv Nandan Sahai#	Independent Non- Executive Director	Nil	0.75	08.11.2028	N.A.	0.75

** Mr. Patanjali Govind Keswani has been re-appointed as Chairman and Managing Director w.e.f 1st April, 2023 vide postal ballot results declared on 14th June, 2023.*

*** Dr. Arindam Kumar Bhattacharya ceased to be an Independent Director of the Company w.e.f. 10th April, 2024.*

 # Ms. Smita Anand, Mr. Praveen Garg and Mr. Sanjiv Nandan Sahai were appointed as Independent Non-Executive Directors of the Company w.e.f. 9th November, 2023.

^ There are no severance fees payable to any of the Directors.

^^ The Non-Executive Directors were paid sitting fees of ₹ 75,000/- for attending each meeting of the Board and ₹ 50,000/- for each Audit and Nomination & Remuneration Committee meetings and ₹ 10,000/- for each other Committee meetings.

Criteria for making payments to Non-Executive Directors including all pecuniary relationship or transactions of Non-Executive Directors

Non-Executive Directors are not paid any remuneration other than sitting fees for attending the meetings of the Board and Committee meetings as approved by the Board. No sitting fee is paid to Mr. Aditya Madhav Keswani who is a non executive director.

There has been no pecuniary relationship or transaction of the Non-Executive Director vis-a-vis the Company during the year except sitting fees paid to them as detailed above.

General Body Meeting

The date, time and venue of the last three Annual General Meeting are given below.

Financial Year	Date	Time	Venue	Special Resolution Passed
2022-23	27.09.2023	03.00 P.M	Meeting was held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility. (Deemed Venue - Regd. Office: Lemon Tree Hotels Limited, Asset No. 6, Aerocity Hospitality District, New Delhi-110037)	Yes
2021-22	14.09.2022	03.00 P.M	Meeting was held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility. (Deemed Venue - Regd. Office: Lemon Tree Hotels Limited, Asset No. 6, Aerocity Hospitality District, New Delhi-110037)	Yes
2020-21	30.09.2021	03.00 P.M	Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility. (Deemed Venue - Regd. Office: Lemon Tree Hotels Limited, Asset No. 6, Aerocity Hospitality District, New Delhi-110037)	No

Postal Ballot

During the Financial Year 2023-24, the members of the Company has passed following resolution(s) through postal ballot

Sr. No.	Date of Passing of Resolution	Description of Resolutions
1	13th June,2023	Approval for re-appointment of Mr. Patanjali Govind Keswani, as Chairman and MD for a period of 3 years commencing from April 1, 2023 to March 31, 2026 (Special Resolution) Approval of the limits for furnishing of Corporate Guarantee to Banks/Financials institutions for the Credit Facilities availed/to be availed by Iora Hotels Private Limited ("Iora"), a material subsidiary of the Company (Ordinary Resolution) Approval of the limits for furnishing of Corporate Guarantee to Banks/Financials institutions for the refinancing of Credit Facilities availed by Fleur Hotels Private Limited ("Fleur") a material subsidiary of the Company (Ordinary Resolution)
2	18th January, 2024	Appointment of Mr. Praveen Garg (DIN: 00208604), as a Non-Executive Independent Director of the Company with effect from November 09, 2023 (Special Resolution) Appointment of Mr. Sanjiv Nandan Sahai (DIN: 00860449), as a Non-Executive Independent Director of the Company with effect from November 09, 2023 (Special Resolution) Appointment of Ms. Smita Anand (DIN: 00059228), as a Non-Executive Independent Director of the Company with effect from November 09, 2023 (Special Resolution)

Means of Communication

Information like Quarterly/Half yearly/Annual Financial Results and press releases on significant developments in the Company that have been made available from time to time have been submitted to the Stock Exchanges to enable them to put on their websites and communicated to their members. The same is also available to the Investors or to the Analysts, if any and are also hosted on the Company Website at www.lemontreehotels.com. The Quarterly/ Half yearly/Annual Financial Results are published in English and Hindi language newspapers normally in Financial Express and Jansatta. Moreover, a report on Management discussion and Analysis as well as Business Responsibility & Sustainability Report also forms part of the Board's Report. The Company is electronically filling all report/ information including quarterly results, shareholding pattern and Corporate Governance Report and so on, on NSE website www.nseindia.com and on BSE website www.bseindia.com.

The Company also ensures that the details of its business, financial information, investor presentations, shareholding pattern, compliance with corporate governance, policies, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances including all other mandatory disclosures are promptly and prominently displayed on the website of the Company at www.lemontreehotels.com

Prohibition of Insider Trading

During the Financial Year under review, the Company has in place a Code of Conduct for Prohibition of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015(" SEBI (PIT) Regulations") and the same is uploaded on the website of the Company at https://www.lemontreehotels.com/factsheet/Policies/Code_of_Conduct_for_Regulation_Monitoring_and_Reporting.Pdf

The Company is also maintaining Structural Digital Database as required under SEBI (PIT) Regulations.

General Shareholder Information

A. Annual General Meeting:

The date of the Annual General Meeting for the Financial Year under review will be scheduled in due course of time. The date/cut-off date for the purpose of remote e-voting shall be communicated to shareholders though Notice of Annual General Meeting. The meeting shall be held through video conferencing in compliance with the provisions of the Act/ SEBI (LODR) Regulations.

B. Financial Year

The Financial Year of the Company starts from 1st day of April and ends on 31st day of March of next year.

Financial Calendar 2024 (tentative)

First Quarter Results: First/Second week of August, 2024

Second Quarter Results: First/Second week of November, 2024

Third Quarter Results: First/Second week of February, 2025

Audited Annual Results for the year ending on 31st March, 2025: Third/Fourth week of May, 2025

C. Dividend Payment Date

The Directors of the Company have not recommended any dividend for the Financial Year under review.

D. Name and Address of Stock Exchange and Date of Listing

S. No.	Name and address of the Stock Exchange	Date	Stock Code
1	National Stock Exchange of India Limited C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051	April 9th, 2018	LEMONTREE
2	BSE Limited P. J. Towers, Dalal Street, Mumbai 400 001	April 9th, 2018	541233

Annual Listing fees for the Financial Year 2024-25 have been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

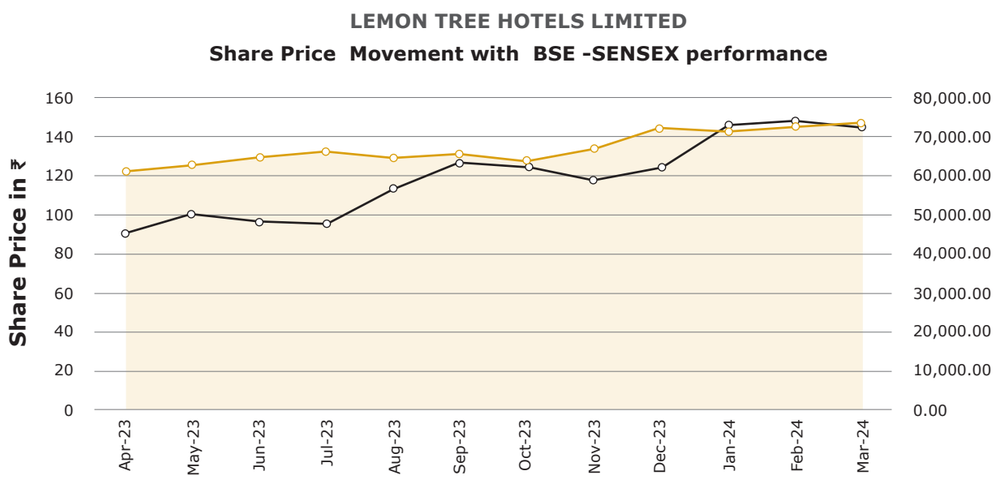
E. Stock Market Data & Stock Performance

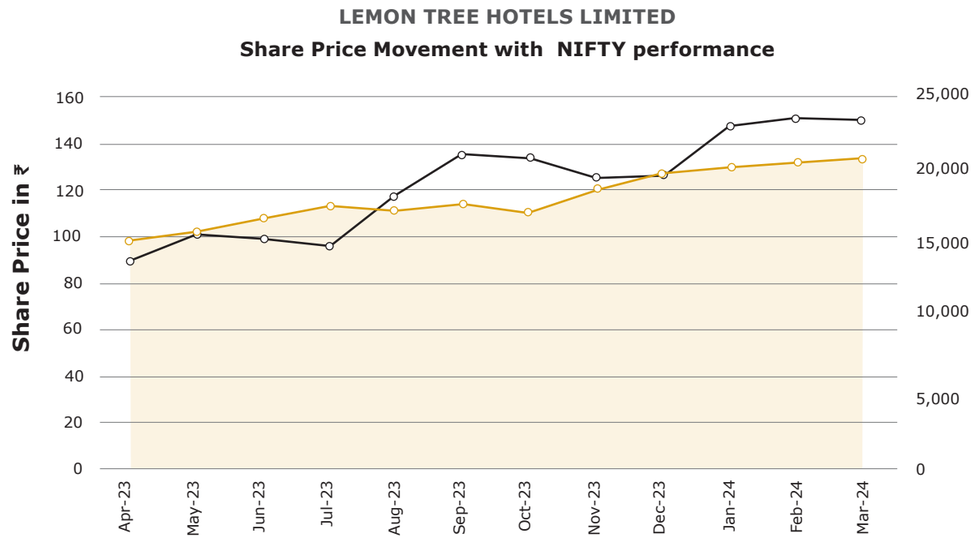
The details of stock market data and Stock performance for financial year 2023-24 are as under:

Market Price Data from April, 2023 to March, 2024

Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
Apr-23	90.39	75.17	14722554	90.40	75.15	131839363
May-23	99.90	87.50	14425574	99.90	87.35	141870106
Jun-23	97.55	91.56	6834660	97.60	91.55	77789975
Jul-23	95.60	89.95	5658672	95.60	89.90	58121959
Aug-23	112.85	92.49	13674446	112.80	92.35	221671652
Sep-23	126.70	105.50	16517472	126.80	105.50	192447191
Oct-23	125.20	100.75	10386955	125.20	100.75	122495477
Nov-23	118.30	106.35	5674153	118.30	106.30	69080966
Dec-23	123.50	112.05	7256989	123.40	111.80	93419756
Jan-24	144.70	118.50	17163067	144.65	118.50	240092063
Feb-24	147.20	126.60	12543489	147.25	126.35	106973120
Mar-24	146.30	122.20	4480632	146.35	122.15	67307478

Performance in comparison to broad-based indices





F. Share Transfer Agent

All the work related to the shares held in physical form as well as shares held in electronic (dematerialised) form is being done at a single point and for this purpose a SEBI registered category I Registrar and Share Transfer Agent has been appointed, whose details are given below.

KFin Technologies Ltd

(Formerly known as "KFin Technologies Private Limited")

"Selenium Building, Tower B", Plot NO. 31 & 32,

Financial District, Nanakramguda,

Serilingampally, Rangareddi, Hyderabad-500032, Telangana

Toll free number - 1-800-309-4001

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

G. Share Transfer System

To expedite the transfer of shares in physical form, authority has been delegated to the Stakeholder's Relationship Committee of the Board of Directors and all transfers shall be recorded by the Stakeholder's Relationship Committee within a period of 15 days from the date of receipt subject to the documents being complete and valid in all respects. Transfers of equity shares in dematerialised form are done through depositories with no involvement of the Company. Transfers of equity shares in physical form are processed by the Company's R&T Agents, M/s Kfin Technologies Ltd. The Company obtains a yearly certificate from a Company Secretary in Practice in respect of the share transfers as required under Regulation 40(9) of the SEBI (LODR) Regulations and files a copy of the said certificate to the stock exchanges on which the Company's shares are listed.

H. Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2024 is given hereunder:

Number of Equity Shares Held	Number of shareholders	% of total shareholders	Number of shares held	% Shareholding
1-5000	3,00,230	90.65	2,62,80,749	3.32
5001-10000	15,435	4.66	1,23,98,589	1.57
10001-20000	7406	2.24	1,10,94784	1.40
20001-30000	2,886	0.87	73,26,805	0.92
30001-40000	1,312	0.40	47,05,258	0.59
40001-50000	1,005	0.30	47,54,038	0.60
50001-100000	1,502	0.45	1,10,37,836	1.39
100001-ABOVE	1,425	0.43	71,46,46,405	90.21
TOTAL	3,31,201	100.00	792246464	100.00

I. Category Wise Shareholding

S. No.	Description	Total No. of Equity Shares held as on 31st March, 2024	% Equity
1	PROMOTER & PROMOTER GROUP - INDIVIDUAL	2619292	0.33
2	PROMOTER & PROMOTER GROUP - BODY CORPORATE	178608061	22.55
3	MUTUAL FUNDS	106665494	13.46
4	ALTERNATIVE INVESTMENT FUND	2191707	0.28
5	BANKS	105000	0.01
6	QUALIFIED INSTITUTIONAL BUYER	12674918	1.60
7	NBFC	1	0.00
8	FOREIGN PORTFOLIO INVESTORS	1	0.00
9	FOREIGN PORTFOLIO - CORP	214612507	27.09
10	KEY MANAGEMENT PERSONNEL	1037886	0.13
11	EMPLOYEES	3911221	0.50
12	RESIDENT INDIVIDUALS	119901231	15.14
13	NON-RESIDENT INDIAN NON REPATRIABLE	4205740	0.53
14	NON-RESIDENT INDIANS	3573144	0.45
15	FOREIGN NATIONALS	1500	0.00
16	FOREIGN BODIES CORPORATES	119897329	15.13
17	BODIES CORPORATES	19115646	2.41
18	CLEARING MEMBERS	2250	0.00
19	H U F	2638798	0.33
20	TRUSTS	22407	0.00
21	ESOP TRUST	462331	0.06
	Total:	792246464	100.00

J. Dematerialization of Shares

As on 31st March, 2024, 99.76% of the total equity shares were held in dematerialized form.

K. Outstanding Convertible Instruments

The Company doesn't have any Outstanding Convertible Instruments having any impact on the equity.

L. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company has not undertaken any forex or hedging transactions during the year under review.

M. Hotel Location

The hotel location has been provided in the corporate overview section of the Integrated Report and also available at www.lemontreehotels.com.

N. Address for Correspondence

The investors may address their queries to the Company at the address mentioned herein below:

Ms. Jyoti Verma
Group Company Secretary & Compliance Officer
Asset No. 6, Aerocity Hospitality District
New Delhi 110 037, India
Tel: +91 11 4605 0122
Facsimile: +91 11 4605 0110
E-mail: sectdeptt@lemontreehotels.com

O. The securities of the Company were never suspended from trading on Stock Exchanges during the year

P. List of all Credit Ratings Obtained by the Entity Along with any Revisions thereto During the Relevant Financial Year, for all Debt Instruments of Such Entity or Any Fixed Deposit Programme or Any Scheme or Proposal of the Listed Entity Involving Mobilization of Funds, whether in India or Abroad

This is not applicable during the Financial Year under review.

Other Disclosures

Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions and the same has been disclosed on the Company's website at the following link:

https://www.lemontreehotels.com/factsheet/Policies/Related_Party_Transaction_Policy.pdf.

All related party transactions including transactions of repetitive in nature requiring omnibus approval are placed before the Audit Committee for approval.

The details of related party transactions entered into by the Company pursuant to each Omnibus approval given, are reviewed by the Audit Committee. There were no materially significant related party transactions in the Company in the year that have any potential conflict with the interests of the Company.

Related Party Disclosures as required under the SEBI (LODR) Regulations are given in the notes to the Financial Statements.

Statutory Compliances/Penalty

There are no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during last three years.

Vigil Mechanism and Whistle Blower Policy

With a view to adopting the highest ethical standards in the course of business, the Company has a Whistle Blower Policy in place for reporting instances of conduct which are not in conformity with the policy. Directors, employees, vendors, or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting, and it is ensured that any whistle blower is not subjected to any discrimination.

No person was denied access to the Audit Committee. The said policy is also uploaded on the website of the Company at https://www.lemontreehotels.com/factsheet/Code_of_Conduct_and_Vigil_Mechanism.pdf

Compliance with Mandatory and Non-Mandatory Requirements under Chapter IV of SEBI (LODR) Regulations

The Company is regularly complying with the SEBI (LODR) Regulations as stipulated therein. Information, certificates and returns as required under the provisions of SEBI (LODR) Regulations are sent to the stock exchanges on which the Company's shares are listed within the prescribed time.

The Company has also complied with all the mandatory requirement of SEBI (LODR) Regulations.

The status of compliance with the non-mandatory requirements is as under:

1. The Board

   The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable as on date. All other requirements of the Board during the year have been complied with.

2. Shareholders Rights

   Quarterly and Half Yearly financial results are furnished to the stock exchanges on which the Company's shares are listed, published in a prescribed newspaper and also uploaded on the website of the Company at https://investors.lemontreehotels.com/. The same are not separately sent to each of the shareholders. Significant events are posted on the Company's website from time to time.

3. Modified Opinion(s) in Audit Report

   There are no modified opinion(s) on the financial statements for the financial year 2023-24.

4. Reporting of Internal Auditor

   The Internal Auditor reports to the Audit Committee.

Disclosure of commodity price risks and commodity hedging activities

This is not applicable as the Company does not trade in commodity price risk and commodity hedging activities

Policy for Determining Material Subsidiaries and Dealing with Related Party Transactions

The Board has formulated a policy for determining material subsidiaries pursuant to the provisions of the SEBI (LODR) Regulations which is available on the website of the Company at https://www.lemontreehotels.com/factsheet/Policies/Determination_of_Material_Subsidiary_Policy.pdf.

Four (4)* of the Independent Non-Executive Directors of the Company are also on the Board of material subsidiary viz. Fleur Hotels Private Limited, one (1) of the Independent Non-Executive Director of the Company is on the Board of each material subsidiaries viz. Berggruen Hotels Private Limited, Hyacinth Hotels Private Limited and Iora Hotels Private Limited.

**Dr. Arindam Kumar Bhattacharya ceased to be director on the Board of the Company w.e.f 10th April, 2024 due to completion of his tenure.*

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the Financial Year 2023-24.

A certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from a practicing company secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority which forms part of the Corporate Governance Report attached to this Board Report as ***'Annexure - 5A'***.

Non-acceptance of any recommendation of any Committee of the Board which was mandatorily required:

During the year, the Board has accepted all recommendations received from all its committees.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The total fees paid to M/s Deloitte Haskins & Sells LLP, Statutory Auditor, by the Company and its subsidiaries on a consolidated basis for the Financial Year under review is ₹ 1.49 Crore.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013

During the Financial Year ended 31st March, 2024, the Company has not received any complaint in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of Complaints filed during the financial year under review	0
Number of complaints disposed of during the financial year under review	0
Number of complaints pending as on the end of financial year	0

Loans and Advances

The details of the loans and advances which are in the nature of loans to firms/companies in which directors are interested are asserted in the Directors Report .

Material Unlisted Subsidiary of the Company

The disclosure requirements as prescribed under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the material unlisted subsidiaries of Lemon Tree Hotels Limited as on 31st March, 2024 are as follows:

S. No	Name of the Material Unlisted Subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of Appointment of Statutory Auditor
1	Hyacinth Hotels Private Limited	19.07.2007	New Delhi, India	Deloitte Haskins & Sells LLP	13.09.2022
2	Berggruen Hotels Private Limited	12.09.2006	Mumbai, India	M/s Nangia & Co. LLP	26.06.2020
3.	Fleur Hotels Private Limited	09.07.2003	New Delhi, India	Deloitte Haskins & Sells LLP	13.09.2022
4	Iora Hotels Private Limited	07.08.2009	New Delhi, India	Deloitte Haskins & Sells LLP	13.09.2022

Compliance with Corporate Governance Norms

The Company has complied with the requisite provisions of Sub Para 2 to 10 of Schedule V to the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015

Scores

The Company has registered itself for SEBI Complaints Redress System (SCORES), a centralized web based complaints redress system with 24 x 7 access. It allows online lodging of complaints at anytime from anywhere.

An automated email acknowledging the receipt of the complaint and allotting a unique complaint registration number is generated for future reference and tracking.

The Company has also registered itself in Online Dispute Resolution platform at https://smartodr.in.

Equity Shares in the Suspense Account

The Company has in accordance with the procedure laid down in Schedule IV of SEBI (LODR) Regulations opened a dematerialization account namely 'Lemon Tree Hotels Ltd. Unclaimed Suspense Demat Account' however, no shares have been transferred till 31st March, 2024.

Reconciliation of Share Capital Audit

The reconciliation of Share Capital Audit is conducted by the Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with the Depositories) and that requests for dematerialisation of shares are processed by the R & T Agent within the stipulated period of twenty one (21) days and uploaded with the concerned Depositories.

Information on Deviation from Accounting Standards, if any.

The Company has adopted Indian Accounting Standards (Ind AS) in preparation of annual accounts for the FY 2024.

Disclosure of Compliance with the Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations

The Company has complied with the applicable provisions of the SEBI (LODR) Regulations including Regulation 17 to 27 and Regulation 46 of the SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the stock exchanges on which the Company's shares are listed within the prescribed timelines from the close of every quarter. Such quarterly compliance report on corporate governance is also posted on the website of the Company at https://investors.lemontreehotels.com

A Certificate from M/s DPV & Associates LLP, Practicing Company Secretary confirming compliance with the conditions of the Corporate Governance as stipulated under the SEBI (LODR) Regulations, is forming part of this Report as ***'Annexure - 5B'.***

CEO/CFO certification

To comply with Regulation 17(8) of the SEBI (LODR) Regulations, the Chairman & Managing Director and the Chief Financial Officer have certified that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards. The same is attached as ***'Annexure - 5C'***.

Code of Conduct

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code of Conduct is applicable to Executive and Non-Executive Directors as well as Senior Management Personnel. As per the SEBI (LODR) Regulations, the duties of Independent Non-Executive Directors have been suitably incorporated in the said Code as laid down in the Act.

A copy of the Code of Conduct is available on the Company's website https://www.lemontreehotels.com/factsheet/Code_of_Conduct_for_Directors_Senior_Management.pdf

A declaration signed by the Chairman & Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, an affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the Financial Year ended 31st March, 2024.

For and on behalf of the Board of Directors
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Date: 29th May, 2024
Place: Mumbai

'Annexure - 5A'

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Lemon Tree Hotels Limited
Asset No. 6, Aerocity Hospitality District
New Delhi – 110037

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Lemon Tree Hotels Limited** having CIN: L74899DL1992PLC049022 and having registered office at Asset No. 6, Aerocity Hospitality District, New Delhi -110037 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any court or any other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Patanjali Govind Keswani	00002974	07/10/2002
2.	Mr. Willem Albertus Hazeleger	07902239	09/08/2017
3.	Mr. Aditya Madhav Keswani	07208901	17/06/2015
4.	Mr. Niten Malhan	00614624	06/11/2020
5.	Mr. Paramartha Saikia	07145770	15/06/2017
6.	Ms. Freyan Jamshed Desai	00965073	15/06/2017
7.	*Dr. Arindam Kumar Bhattacharya	01570746	11/04/2019
8.	**Mr. Praveen Garg	00208604	09/11/2023
9.	**Mr. Sanjiv Nandan Sahai	00860449	09/11/2023
10.	**Ms. Smita Anand	00059228	09/11/2023

** Ceased to be Independent Director w.e.f. April 10, 2024.*

*** Appointed as Independent Director w.e.f. November 09, 2023.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. S. Associates
Company Secretaries

Sd/-
Dhawal Kant Singh
Partner-M. No.: F8687
C P No.: 7347
Peer Review No. 1724/2022
UDIN: F008687F000440239

Place: Delhi
Date: May 29, 2024

'Annexure - 5B'

Certificate Regarding Compliance of Conditions of Corporate Governance

To,
The Members of
LEMON TREE HOTELS LIMITED
(CIN: L74899DL1992PLC049022)
Asset No. 6, Aerocity Hospitality District,
New Delhi - 110037

1. We have examined the compliance of conditions of Corporate Governance by the **Lemon Tree Hotels Limited** (herein after referred as the Company) for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated under the provisions of the LODR Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V to the LODR Regulations during the year ended March 31, 2024.

6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DPV & Associates LLP
Company Secretaries
Firm Reg. No.: L2021DE009500
Peer Review Certificate No. 2792/2022

Sd/-
Devesh Kumar Vasisht
Managing Partner
CP No.:13700 / Mem. No. F8488
UDIN:F008488F000478364

Date: May 29, 2024
Place: New Delhi

'Annexure - 5C'

Certification by Managing Director and Chief Financial Officer of the Company

Pursuant to Regulation 17(8) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 of Lemon Tree Hotels Limited (the Company) and that to the best of our knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and Audit Committee

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Lemon Tree Hotels Limited

Sd/-
Kapil Sharma
Chief Financial officer

Sd/-
Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: Mumbai
Date: 29th May 2024

'Annexure - 6'

Remuneration to Directors and Employees

[Pursuant to Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Description	Directors	Employees			
a.	Name of the Employee	Mr. Patanjali Govind Keswani (1)	Ms. Harleen Mehta (2)	Mr. Jagdish Kumar Chawla (3)	Mr. Kapil Sharma (4)	Mr. Davander Tomar (5)
b.	Designation of the employee	Chairman & Managing Director	Sr. Vice President – Sales	Executive Vice President-Projects & Engineering	Executive Vice President - Finance & Chief Financial Officer	Executive Vice President-Corporate Affairs
c.	*Remuneration Received (₹ In Lakhs)	400.76	183.06	137.53	128.58	118.76
d.	Nature of Employment, whether contractual or not	Non-contractual	Non-contractual	Non-contractual	Non-contractual	Non-contractual
e.	Qualifications and experience of the employee	B. Tech in Electrical Engineering from IIT Delhi and PGDBM from IIM Calcutta. He has an experience of over 36 years	Master's in Business Administration from Symbiosis Institute of Management Studies, Pune. She also has a Hotel Management Degree from IHM Gwalior. Experience over 21 years	Diploma Degree in Electrical Engineering from Pusa Polytechnic, Pusa, New Delhi and has a total experience of over 43 years in the field of engineering, construction and operations	Chartered Accountant. He has an experience of over 26 years	M.A & LLB from Delhi University and has a total experience of over 39 years.
f.	Date of commencement of employment with company	01.09.2002	19.08.2019	01.11.2002	01.12.2004	25.09.2002
g.	The age of such employee	65 years	49 years	67 years	55 years	63 years
h.	The last employment held by such employee before joining the Company	Senior Partner A.T. Kearney Inc., India	Hyatt Hotels and Resorts, where her last role was as Vice President –Sales Operations India	Taj Group of Hotels	Head-Finance and Accounts, Leroy Somer & Controls India Private Limited	Area Security Manager-Taj Group of Hotels
i.	The percentage of equity shares held by the employee in the Company within the meaning of Clause(iii) of sub-rule (2) above	Nil	Nil	0.08	0.13	Nil
j.	Whether any such employee is a relative of any director or manager of the Company and if so, the name of such director or manager	Mr. Aditya Madhav Keswani, Director	N.A.	N.A.	N.A.	N.A.

Note(s): Gross remuneration includes basic salary, allowances, taxable value of perquisites and the Company's contribution to Provident Fund, but excludes provision for retiring gratuity and leave benefits.

Remuneration to Employees

[Pursuant to Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Description	Employees				
a.	Name of the Employee	Ms. Ritu Ranjan (6)	Ms. Sareena Kochhar (7)	Mr. Rajeev Janveja (8)	Mr. Ajai Kumar (9)	Mr. Devinder Kumar (10)
b.	Designation of the employee	Sr. Vice President – Aesthetics & Design	Sr. Vice President – Housekeeping	Sr. Vice President & Corporate Chef	Sr. VP and Chief Information Officer	Vice President-RMD
c.	*Remuneration Received (₹ In lakhs)	69.31	59.76	54.16	53.27	48.54
d.	Nature of Employment, whether contractual or not	Non-contractual	Non-contractual	Non-contractual	Non-contractual	Non-contractual
e.	Qualifications and experience of the Employee	B.A (Honors) in Philosophy from Delhi University in the year 1987 and having 21 years of experience	B.Sc (Home Science) and Diploma in Hotel Management with over 34 years of experience in Hospitality	Hotel Management from IHM Lucknow and has a total experience of over 40 years.	He has over 30 years of experience in IT Strategy, Digital Enablement, Technology Management and Operations.	Post Graduate Diploma in Hotel Accommodation and Management with over 24 years of experience
f.	Date of commencement of employment with company	01.04.2014	15.07.2006	01.08.2013	15-10-2010	01.07.2010
g.	The age of such employee	58 years	59 years	61 years	56 years	45 years
h.	The last employment held by such employee before joining the Company	Self employed	Corporate Executive Housekeeper with VLCC Health Care.	He has previously worked with Taj Hotels across the country as well as with some other leading retail food businesses.	He has previously worked with Bax Global Pvt. Ltd., Gati Ltd. and Blue Dart Express Ltd.	He has previously worked with ITC Group of Hotels as Revenue Manager, Reservation Manager and Data Manager.
i.	The percentage of equity shares held by the employee in the Company within the meaning of Clause(iii) of sub-rule (2) above	0.04	0.03	0.01	0.005	0.01
j.	Whether any such employee is a relative of any director or manager of the Company and if so, the name of such director or manager	N.A.	N.A.	N.A	N.A.	N.A.

**Gross remuneration includes basic salary, allowances, taxable value of perquisites and the Company's contribution to Provident Fund, but excludes provision for retiring gratuity and leave benefits for which separate figures are not available.*

For Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: Mumbai
Date: 29th May 2024

'Annexure - 7'

Details pertaining to remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year, the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-

Name	Designation	Ratio of remuneration of each Director to the median remuneration of employees	Percentage increase in remuneration*
Mr. Patanjali Govind Keswani	Chairman and Managing Director	253	14.09
Mr. Kapil Sharma	Chief Financial Officer	N.A.	40.62
Mr. Nikhil Sethi*	AVP Legal & Group Company Secretary	N.A.	N.A.
Ms. Jyoti Verma*	Group Company Secretary & Compliance Officer	N.A	N.A.

** Due to Covid pandemic, voluntary salary cut was opted by managerial employees and Chairman & Managing Director in previous years. Accordingly, the percentage increase in remuneration is not comparable.*

** Ms. Jyoti Verma has been appointed as Group Company Secretary cum Compliance Officer w.e.f. November 21, 2023 in place of Mr. Nikhil Sethi who ceased to be AVP Legal & Group Company Secretary & Compliance Officer w.e.f. October 30, 2023.*

No other Directors were paid remuneration during the Financial Year ended March 31, 2024.

2. The percentage increase in the median remuneration of employees in the financial year.

The percentage increase in the median remuneration of employees in the FY24 is 1%.

3. The number of permanent employees on the rolls of the Company.

The number of permanent employees on the rolls of the Company as on March 31, 2024, is 839 across all the locations globally.

4. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

- During Financial Year 2023-24, the average percentage increase in salary of the Company's employees, excluding Key Managerial Personnel ('KMP') was 15%.
- During Financial Year 2023-24, the average percentage increase in salary of the KMP was 16%.

5. It is hereby affirmed that the remuneration paid during the Financial Year ended March 31, 2024, is as per the Nomination and Remuneration Policy of the Company.

For Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: Mumbai
Date: 29th May 2024

'Annexure - 8'

Secretarial Audit Report

For the Financial Year Ended 31st March, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of
LEMON TREE HOTELS LIMITED
(CIN: L74899DL1992PLC049022)
Asset No. 6, Aerocity Hospitality District,
New Delhi-110037

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lemon Tree Hotels Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Legal Metrology Act, 2009 & rules made thereunder;

(b) The Food Safety and Standards Act, 2006 read with the Food Safety and Standards Rules, 2011 with allied rules and regulations;

We have also examined compliance with the applicable clauses of the following:-

(i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including the Woman Director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee(s) of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- The scheme of amalgamation of Grey Fox Project Management Company Private Limited, Valerian Management Services Private Limited, PSK Resorts & Hotels Private Limited, Dandelion Hotels Private Limited ("Transferor Company") into and with Lemon Tree Hotels Limited ("Transferee Company') has been sanctioned by the Hon'ble National Company Law Tribunal, New Delhi Bench (NCLT) vide its order dated December 14, 2023. The Certified true copy of the said order sanctioning the scheme was filed with the Registrar of Companies, Delhi on January 19, 2024.
- Pursuant to the aforesaid scheme of amalgamation, the authorized share capital clause of the Memorandum of Association of the Company stands altered, modified, reclassified and amended from 100,14,40,000 equity shares of ₹ 10 each, 1,45,000 5% Redeemable Cumulative Preference Shares of ₹ 100 each to ₹ 1014,24,00,000 consisting of 100,73,90,000 equity shares of ₹ 10 each, 1,95,000 5% Redeemable Cumulative Preference Shares of ₹ 100 each and 4,90,000 Preference Shares of ₹ 100 each.

For DPV & Associates LLP
Company Secretaries
Firm Reg. No.: L2021DE009500
Peer Review Certificate No. 2792/2022

Sd/-
Devesh Kumar Vasisht
Managing Partner
CP No.:13700 / Mem. No. F8488
UDIN: F008488F000478474

Date: May 29,2024
Place: New Delhi

Annexure to the Secretarial Audit Report

To
The Members,
LEMON TREE HOTELS LIMITED
(CIN: L74899DL1992PLC049022)
Asset No. 6, Aerocity Hospitality District,
New Delhi - 110037

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on those secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in the secretarial records. We believe that the process and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DPV & Associates LLP
Company Secretaries
Firm Reg. No.: L2021DE009500
Peer Review Certificate No. 2792/2022

Sd/-
Devesh Kumar Vasisht
Managing Partner
CP No.:13700 / Mem. No. F8488
UDIN: F008488F000478474

Date: May 29,2024
Place: New Delhi

'Annexure - 9'

FORM NO. MR.3
Secretarial Audit Report
For the Financial Year Ended 31st March, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Fleur Hotels Private Limited,
CIN: U55101DL2003PTC207912
Address: Asset No. 6, Aerocity Hospitality District, New Delhi- 110037, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fleur Hotels Private Limited** (hereinafter called 'the Company') which is an unlisted subsidiary of Lemon Tree Hotels Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as maintained and provided to us by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 (**'Audit Period'**) generally complied with the statutory provisions listed hereunder. Further, the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, which is generally complied with.

We report that the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above, during the Audit Period.

(iv) The Company is engaged in the Hotel Business and operating various Hotels. As informed by the management, the Food Safety and Standard Act, 2006 and Rules made thereunder are specifically applicable on the Company and filed at Hotel level. On the basis of management representation, recording in the minutes of Board of Directors and our check on test basis, we are of the view that the Company has generally ensured the compliance of laws specifically applicable on it.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all its directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings other than held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Board of Directors at their various meetings passed following significant resolution(s) apart from other resolution(s)–

- Took note in the Board Meeting held on May 29th, 2023, for transfer of 22,00,000 Compulsorily Convertible Preference Shares from APG Strategic Real Estate Pool N.V. to Lemon Tree Hotels Limited on 31st March, 2023 (Circular Resolution No.– 4/FY 2022-23).
- Took note in the Board Meeting held on August 09th, 2023, for transfer of 9,67,200 Compulsorily Convertible Preference Shares from APG Strategic Real Estate Pool N.V. to Lemon Tree Hotels Limited on 27th July, 2023 (Circular Resolution No.– 3/FY 2023-24, dated July 27th, 2023).
- Approval for conversion of 53,76,340 Compulsorily Convertible Preference Shares of the Company into Equity Shares (Circular Resolution No.– 4/FY 2023-24, dated July 28th, 2023) as under:
  a. 31,67,200 (Thirty One Lakh Sixty Seven Thousand Two Hundred) Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each held by M/s Lemon Tree Hotels Limited into 31,67,200 Equity shares of ₹ 10/- each.
  b. 22,09,140 (Twenty Two Lakhs Nine Thousand One Hundred and Forty) Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each held by M/s APG Strategic Real Estate Pool N.V. into 22,09,140 Equity shares of ₹ 10/- each.

We further report that members of the Company at their extra-ordinary general meeting held on June 13, 2023 passed following special resolution(s)–

- Re-appointment of Mr. Patanjali Govind Keswani (DIN: 00002974) as the Managing Director for a further period of five years w.e.f. 31st December, 2022 without remuneration.
- To extend the term of conversion of 53,76,340, 0.01% cumulative compulsorily convertible preference shares.

We further report that members of the Company at their Annual General Meeting held on September 18, 2023 passed following ordinary resolution(s)–

- Appointment of Mrs. Freyan Jamshed Desai, as Non-executive Independent Director of the Company w.e.f. 09th August, 2023, for a period of 5 years.
- Re-appointment of Dr. Arindam Kumar Bhattacharya, as Non-executive Independent Director of the Company w.e.f. 11th April, 2024, for a period of 5 years.
- Re-appointment of Mr. Ashish Kumar Guha, as Non-executive Independent Director of the Company w.e.f. 13th August, 2023, for a period of 5 years.

For and on behalf of
M/s. Prakash Verma & Associates
(Company Secretaries in Practice)
ICSI Unique Code – S2013DE203700
Peer Review Certificate No. – 882/2020

Sd/-
CS Prakash Verma
FCS No. - 9553
COP No. - 11671
Place: Ghaziabad **UDIN - F009553F000440357**
Date: 28/05/2024

FORM NO. MR.3
Secretarial Audit Report
For the Financial Year Ended March 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hyacinth Hotels Private Limited
(CIN: U55204DL2007PTC166050)
Asset No.6, Aerocity Hospitality District
New Delhi - 110037

Sir,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hyacinth Hotels Private Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the **Hyacinth Hotels Private Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Company** for the financial year ended on **March 31,2024** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder

(iii) Other laws as applicable specifically to the Company:

- The Legal Metrology Act, 2009 and rules made thereunder
- Food Safety and Standards Act, 2006 and rules made thereunder

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Ministry of Corporate Affairs on the Board and General Meetings of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with Non-Executive and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where the meeting is held on shorter notice) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore no dissenting member's views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the audit period, the following events/ actions took place having a major bearing on the Company's affairs:

- Cessation of Mr. Paramartha Saikia (DIN: 07145770) as Independent Director of the company with effect from 15th March, 2024.

For D.S. Associates
Company Secretaries

Dhawal Kant Singh
Partner
M. No.: F8687
C P No.: 7347
Peer Review No. 1724/2022

Place: New Delhi
Date: 28/05/2024
UDIN:F008687F000440096

FORM NO. MR.3
Secretarial Audit Report
For the Financial Year Ended 31st March, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Berggruen Hotels Private Limited
(CIN: U55101MH2006PTC164475)
Lemon Tree Premier, Mumbai,
Opp. Mittal Industrial Estate
Andheri Kurla Road, Mumbai-400059 (M.H.)

Sir,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Berggruen Hotels Private Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing us opinion thereon.

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the **Berggruen Hotels Private Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Company** for the financial year ended on **March 31, 2024** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iii) Other laws as applicable specifically to the Company:

- The Legal Metrology Act, 2009 and rules made thereunder;
- Food Safety and Standards Act, 2006 and rules made thereunder;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Ministry of Corporate Affairs.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where the meeting is held on shorter notice) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore no dissenting member's views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the audit period, the following events/ actions took place having a major bearing on the Company's affairs:

- Cessation of Ms. Anshu Sarin (DIN: 07101558) as Whole Time Director & Chief Executive Officer of the company with effect from 15th May, 2023.
- Resignation of Ms. Sonali Manchanda (Membership No.: F7283) as Company Secretary of the company with effect from closing hours of 30th November, 2023.
- Appointment of Mr. Praveen Kumar Agrawal (DIN:10377055) as Whole Time Director with effect from 08th November, 2023.
- Appointment of Ms. Isha Jain (Membership No.: A25838) as Company Secretary of the company with effect from 05th February, 2024.

For D.S. Associates
Company Secretaries

Sd/-
Dhawal Kant Singh
Partner
M. No.: F8687
C P No.: 7347
Peer Review No.: 1724/2022
UDIN:F008687F000440217

Place: New Delhi
Date: 27/05/2024

FORM NO. MR.3
Secretarial Audit Report
For the Financial Year Ended 31st March, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Iora Hotels Private Limited
(CIN: U55101DL2009PTC192981)
Asset No. 6, Aerocity Hospitality District
New Delhi-110037

Sir,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Iora Hotels Private Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the **Iora Hotels Private Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2024** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iii) Other laws as applicable specifically to the Company:

- The Legal Metrology Act, 2009 and rules made thereunder;
- Food Safety and Standards Act, 2006 and rules made thereunder;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Ministry of Corporate Affairs on the Board and General Meetings of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where the meeting is held on shorter notice) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore no dissenting member's views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

- Taken approval u/s 180 (1) (c) for borrowing more than paid up capital and free reserves of the Company vide special resolution passed in the Extra-ordinary General Meeting held on April 03, 2023.
- Taken approval u/s 180 (1) (a) for mortgaging, hypothecating and charging its assets of the Company for securing financial facilities vide special resolution passed in the Extra-ordinary General Meeting held on April 03, 2023.
- Resignation of Mr. Sameer Singh from the directorship of the company with effect from January 10th, 2024
- Approved the appointment of Mr. Gaurav Goyal (DIN: 10454883) as Whole Time Director of the Company vide special resolution passed in the Extra-ordinary General Meeting held on January 31, 2024.
- Cessation of Mr. Inder Pal Batra (PAN: ADQPB9593E) as Chief Financial Officer of the company with effect from January 31st, 2024 and appointment of Mr. Mayank Sharma (PAN: AYNPS1141D) as Chief Financial officer of the Company with effect from February 06th, 2024.

We further Report that except for what is stated above the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

For D.S. Associates
Company Secretaries

Sd/-
Dhawal Kant Singh
Partner
M. No.: F8687/C P No.: 7347
Peer Review No. 1724/2022
UDIN: F008687F000440074

Place: New Delhi
Date: 28/05/2024

'Annexure - 10'

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1992PLC049022
2	Name of the Listed Entity	Lemon Tree Hotels Limited
3	Year of incorporation	1992
4	Registered office address	Asset No. 6, Aerocity Hospitality District, New Delhi-110037
5	Corporate address	Asset No. 6, Aerocity Hospitality District, New Delhi-110037
6	E-mail	Sectdeptt@Lemontreehotels.com
7	Telephone	+911146050101
8	Website	http://www.lemontreehotels.com/
9	Financial year for which reporting is being done	1 April 2023 to 31 March 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Ltd.
11	Paid-up Capital (in ₹)	₹ 7,92,24,64,640
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Aradhana Lal, Senior Vice President - Sustainability & ESG Telephone: +911146050101 E-mail: svp_sustainability@lemontreehotels.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated, except paid up share capital
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services

16 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Operating Hotels	Hotel service including accommodation/rooms, dining, bar, banquets, conference, meeting rooms, spa, fitness center, swimming pool, etc.	99.42%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Hotel service including accommodation/rooms, dining, bar, banquets, conference, meeting rooms, spa, fitness center, swimming pool, etc.	55101	99.42%

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total*
National	103	1	104
International	2	0	2

** 41 owned hotels (Corporate Office based in 1 hotel iteself), 63 managed and franchised hotels.*

19 Markets served by the entity:

A. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	2

B. What is the contribution of exports as a percentage of the total turnover of the entity?

0%

C. A brief on types of customers

Lemon Tree caters to a diverse clientele, including business and leisure travellers, families, tourists, event attendees, wedding guests, food and beverage patrons and long-stay guests. Our hotels are strategically located with high-quality amenities, efficient services and a focus on comfort and convenience. Whether it's for business or leisure, we ensure our guests have a memorable experience during their stay with us.

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Employees and workers			
			Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	2,801	2,478	88%	323	12%
2	Other than Permanent (E)	763	646	85%	117	15%
3	Total employees (D + E)	3,564	3,124	88%	440	12%
	WORKERS					
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1	Permanent (D)	133	120	90%	13	10%
2	Other than Permanent (E)	126	103	82%	23	18%
3	Total employees (D + E)	259	223	86%	36	14%
	DIFFERENTLY ABLED WORKERS					
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-

21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel	2	1	50%

Includes Mr. Arindam Kumar Bhattacharya, who ceased to be director w.e.f 10th April 2024.

22 Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	Turnover rate in current FY (2023-24)			Turnover rate in previous FY (2022-23)			Turnover rate in the year prior to the previous FY (2021-22)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35%	7%	41%	46%	7%	53%	54%	7%	61%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 Names of holding/subsidiary/associate companies/joint ventures

S. no	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Fleur Hotels Private Limited	Subsidiary	58.91%	Yes
2	Canary Hotels Private Limited	Subsidiary	100.00%	Yes
3	Sukhsagar Complexes Private Limited	Subsidiary	100.00%	Yes
4	Oriole Dr. Fresh Hotels Private Limited	Subsidiary	100.00%	Yes
5	Manakin Resorts Private Limited	Subsidiary	100.00%	Yes
6	Carnation Hotels Private Limited	Subsidiary	100.00%	Yes*
7	Lemon Tree Hotel Company Private Limited	Subsidiary	100.00%	No
8	Red Fox Hotel Company Private Limited	Subsidiary	100.00%	No
9	Hamstede Living Private Limited	Subsidiary	100.00%	No
10	Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited)	Subsidiary	100.00%	No
11	Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)	Subsidiary	100.00%	No
12	Madder Stays Private Limited	Subsidiary	100.00%	No
13	Totally Foxed Solutions Private Limited	Subsidiary	100.00%	No
14	Celsia Hotels Private Limited	Subsidiary	58.91%	Yes
15	Iora Hotels Private Limited	Subsidiary	58.91%	Yes
16	Inovoa Hotels and Resorts Limited	Subsidiary	58.91%	Yes
17	Berggruen Hotels Private Limited	Subsidiary	58.91%	Yes
18	Haycinth Hotels Private Limited	Subsidiary	58.91%	Yes
19	Bandhav Resorts Private Limited	Subsidiary	58.91%	Yes
20	Ophrys Hotels Private Limited	Subsidiary	58.91%	No
21	Mind Leaders Learning India Private Limited	Associate	36.56%	No
22	Pelican Facilities Management Private Limited	Associate	36.56%**	No
23	Glendale Marketing Services Private Limited	Associate	36.56%**	No

** All third party hotels operated by Carnation Hotels Private Limited, which is WOS are participating in Lemon Tree Hotels' business responsibility initiatives*

*** These companies are wholly owned subsidiaries of Mind Leaders Learning India Private Limited.*

Note:

Valerian Management Services Private Limited, Grey Fox Project Management Company Private Limited, PSK Resorts & Hotels Private Limited and Dandelion Hotels Private Limited have been amalgamated with Lemon Tree Hotels Limited pursuant to order of Hon'ble NCLT dated 14.12.2023.

VI. CSR Details

24 (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii). Turnover (in ₹): 10,71,12,29,000 **(iii). Net worth (in ₹):** 15,46,42,82,000

VII. Transparency and Disclosures Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No/ NA)	(If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, we have grievance redressal mechansim for the stakeholder group.	All relevant policies of the Company are available at https://investors.lemontreehotels.com/#	0	0	-	0	0	-
Investors (other than shareholders)			0	0	-	0	0	-
Shareholders			0	0	-	0	0	-
Employees and workers			0	0	-	0	0	-
Customers			0	0	-	0	0	-
Value Chain Partners			0	0	-	0	0	-
Other (please specify)			0	0	-	0	0	-

26 Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health and Well Being	Opportunity	Lemon Tree can help employees maintain balance and good health	-	Positive
2	Regulatory Compliance	Risk	Deviation from a compliance is possible in a growing network	An internal audit system and software (Legatrix) is in place to monitor all compliances for all hotels	Negative
3	Customer Delight	Opportunity	By providing refreshing service and unbeatable VFM, Lemon Tree can deepen customer loyalty	-	Positve
4	Brand and Reputation Management	Opportunity	Lemon Tree's focus on ESG and talent and innovative products/services for guests is an opportunity to strengthen the brand	-	Positive
5	Diversity and Inclusion	Opportunity	Over ~2 decades, Lemon Tree has built a strong diversity initiative. We can keep widening and deepening it	-	Positive
6	Commitment to Human Rights	Opportunity	An opportunity to carry Lemon Tree's human rights approach to partners, suppliers and more	-	Positive
7	Water Management	Risk	Precious resource with scarcity in every destination that Lemon Tree is present in	Lemon Tree actively pursues initiatives that improve the efficiency of water consumption; recycling and reuse of all water used in the hotel; and rainwater harvesting	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Ethics and Transparency	Risk	Deviation from ethical/ transparent practices is possible in a growing network	Lemon Tree has instituted dual/ multiple sign off process, especially for big ticket items; an active whistle blower policy; a strong ombudsman policy and handling mechanism	Negative
9	Data Privacy	Risk	Growing loyalty consumer database at Lemon Tree accompanied by innovation in hacking/breaching of data protection systems	Lemon Tree has defined a new data privacy policy in FY22 that follows global standards and Indian standards. Done in consultation with a Big 4 company	Negative
10	Economic Performance	Opportunity	Lemon Tree business model ensures the stability and growth of revenues during both peaks and troughs in the business cycle	-	Positive
11	Talent Management	Opportunity	Build a leadership bench within	-	Positive
12	Waste Management	Opportunity	Segregate better and reduce, resuse, recycle and dispose waste safely	-	Positive
13	Energy Management	Opportunity	Build greater energy efficiency. Transition to renewable energy and reduction in carbon footprint. Pathway to Net Zero	-	Positive
14	Sustainable Supply Chain	Opportunity	Integrate Lemon Tree's ESG focus backwards into the supply chain	-	Positive
15	Local Community Development	Opportunity	Harness the skills and abilities of the community. Provide sustainable jobs to marginalised communities	-	Positive
16	Biodiversity Protection	Opportunity	(For the limited biodiverse locations of Lemon Tree) Protect and preserve flora and fauna	-	Positive
17	Climate Change	Risk	Hospitality industry inherently has a high carbon footprint	Building a strong pathway to Net Zero	Negative

Section B: Management and Process Disclosures

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. **Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No/NA)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. **Has the policy been approved by the Board? (Yes/ No/NA)**	Yes	No	No	Yes	No	No	No	Yes	Yes
	c. **Web Link of the Policies, if available**	Code of Conduct and Vigil Mechanism Policy Anti Bribery and Anti Corruption Policy Policy on Board Diversity	Supplier Code of Conduct Stakeholder Relations Policy	Health and Safety Policy Stakeholder Relations Policy	Stakeholder Relations Policy	Human Rights Policy	Waste Management Policy Environment Policy Climate Change Policy	Anti Bribery and Anti Corruption Policy	CSR Policy	Stakeholder Relations Policy
2	**Whether the entity has translated the policy into procedures. (Yes/ No/NA)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	**Do the enlisted policies extend to your value chain partners? (Yes/ No/NA)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	**Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	Code of Conduct; UN Sustainable Development Goals; Principle of Corporate Governance; GRI Standard	UN Sustainable Development Goals; GRI Standard	Universal Declaration of Human Rights of the United Nations; UN Guiding Principles on Business and Human Rights; UN Sustainable Development Goals; GRI Standard	UN Sustainable Development Goals; GRI Standard	Universal Declaration of Human Rights of the United Nations; UN Sustainable Development Goals; GRI Standard	Indian Green Building Council (IGBC); UN Sustainable Development Goals; GRI Standard	Universal Declaration of Human Rights of the United Nations; UN Sustainable Development Goals; GRI Standard	CSR Disclosures pursuant to Section 135 of the Companies Act 2013; UN Sustainable Development Goals; GRI Standard	UN Sustainable Development Goals; GRI Standard

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	-	-	-	-	-	***1** and refer **page 52 to 54** in the FY24 Integrated Report (as per IIRC framework)	-	***2** and refer **page 55** in the FY24 Integrated Report (as per IIRC framework)	-
		-	-	-	-	-	LTHL_Integrated_ Report_2023_2024.pdf (lemontreehotels.com)	-	LTHL_Integrated_ Report_2023_2024. pdf (lemontreehotels. com)	-
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	-	-	-	-	-	***3**	-	***4**	-

1

1 15% reduction in Energy Consumption (intensity based) by FY26 over the FY19 baseline
2 50% Renewable Energy (RE) usage, out of total energy consumption, by FY26
3 40% reduction in GHG emissions (intensity based) by FY26 over the FY19 baseline
4 10% reduction in water consumption (intensity based) by FY26 over the FY19 baseline
5 100% certified Green Buildings (hotels) by FY26

2

6 20% Opportunity Deprived Individuals (ODIs) in the workforce by FY26
7 15% women across the workforce by FY26

3

1 On target: 6.93% reduction in Energy Consumption (intensity based) in FY24 over the FY19 baseline
2 Behind target: 10.75% Renewable Energy (RE) usage, out of total energy consumption, in FY24. The KWH supplied to us through Open Access (OA) has been unstable through the year and was down to zero in some months in Delhi and Maharashtra
3 Behind target: 8.97% reduction in GHG emissions (intensity based) in FY24 over the FY19 baseline. The reduced supply of RE (explained above) impacted the GHG emissions in FY24 as well
4 Above target: 28.56% reduction in water consumption (intensity based) in FY24 over the FY19 baseline
5 Behind target: 29.27% certified Green Buildings (hotels) in FY24

Note

- *The FY19 data for Red Fox Hotel, Dehra Dun is from October 2018 to March 2019 i.e. 6 months only as the hotel opened in October and the data for Lemon Tree Premier, Pune is from January 2019 to March 2019 i.e. 3 months only as the hotel opened in January. This impacts the comparison of FY24 to FY19*
- *In the GHG calculations of FY24 and FY19, we have not included emissions from refrigerants as well as the consumption of petrol, HSD and CNG of owned cars, as this data was not available in FY19*

4

6 On target: 16.96% Opportunity Deprived Individuals (ODIs) in the workforce in FY24
7 On target: 13% women across the workforce in FY24

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Rooted in the spirit of Indian hospitality and innovation, Lemon Tree Hotels (LTH) has been on the path of responsible growth for approximately two decades now, harnessing our nation's dynamic energy and fulfilling the needs of an emerging class of aspirational consumers. Along the way, we have expanded our horizons to reach the length and breadth of India, while creating a sense of belonging and community for every guest. As India emerges as a prominent player on the global stage, it presents us with the opportunity to accelerate responsible growth, even beyond borders, while staying true to our ethos of responsibility and sustainability at every step. Reimagining the future of hospitality, with sustainability at the foundation of our brand, we are committed to blending the richness of India, our innovative spirit and passion for positive impact to deliver extraordinary guest experiences.

FY26 Targets

- 15% reduction in Energy Consumption (intensity based) by FY26 over the FY19 baseline | FY24 performance 6.93%
- 50% Renewable Energy (RE) usage, out of total energy consumption, by FY26 | FY24 performance 10.75%
- 40% reduction in GHG emissions (intensity based) by FY26 over the FY19 baseline | FY24 performance 8.97%
- 10% reduction in water consumption (intensity based) by FY26 over the FY19 baseline | FY24 performance 22.32%
- 100% certified Green Buildings (hotels) by FY26 | FY24 performance 29.27%
- 20% Opportunity Deprived Individuals (ODIs) in the workforce by FY26 | FY24 performance 16.96%
- 15% women across the workforce by FY26 | FY24 performance 13%

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Name of highest authority	Mr. Patanjali Govind Keswani
Designation	Chairman and Managing Director
DIN	00002974
Category	Executive Director

9 Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No/NA). If yes, provide details

Yes

There are two committees in the Board of Directors i.e. Corporate Social Responsibility committee and Sustainability committee responsible for sustainability related issues. In addition, there is an ESG Task Force in the management team that works closely on all future Sustainability and ESG initiatives.

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Director	Director	Director	Committee of the Board	Committee of the Board
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Director	Director	Director	Committee of the Board	Committee of the Board

Subject for Review	Frequency								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action					Yearly				
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances					Quarterly				

11 Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No								

Note: Internal audits of all hotels are done half yearly and discussed with the leadership teams. Corrective actions are taken where necessary.

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

N.A.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)					N.A.				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	Overview of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Policy formulation, CSR and sustainability related matters, changes in the regulatory scenario, SDD, SEBI (Prohibition of Insider Trading) Regulations, various policies etc.,	97%
Key Managerial Personnel	5	Overview of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Policy formulation, CSR and sustainability related matters, changes in the regulatory scenario, SDD, SEBI (Prohibition of Insider Trading) Regulations, various policies etc.,	100%
Employees other than BoD and KMPs	5	Induction of new joiners, sensitization session, functional & behavioral training, Environment, Safety & Governance and health & fire safety.	100%
Workers	0	N.A.	0%

2 Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	Nil	Nil	Nil	N.A.
Settlement	-	Nil	Nil	Nil	N.A.
Compounding fee	-	Nil	Nil	Nil	N.A.

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	Nil	Nil	N.A
Punishment	-	Nil	Nil	N.A

Note: During the financial year, based on materiality test, no payment of penalty/fines/punishment/award/ settlement was qualified for reporting under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Company has received certain demand notices relating to service tax matters imposing certain fines/penalties (not crossing the materiality threshold) against which company has filed appeals and same have been intimated to Stock Exchanges under Regulation 30.

3 Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

N.A.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
N.A.	N.A.
N.A.	N.A.
N.A.	N.A.

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. We have a strong commitment to upholding the highest standards of ethical conduct and integrity in all our operations. We adopt a zero-tolerance stance towards bribery and corruption, ensuring that we conduct ourselves professionally, fairly and with integrity in all our business dealings and relationships. This policy applies to all individuals associated with Lemon Tree, including directors, employees, officers, contractors, consultants, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person connected to our organisation.

Web Link Anti Bribery and Anti Corruption Policy https://www.lemontreehotels.com/factsheet/Policies/7_LTH_Anti_bribery_and_Anti_corruption_Policy_October_2021.pdf

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6 Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7 Provide details of any corrective action taken or underway on issues related to fines/penalties/ action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest

N.A.

8 Number of days of accounts payables (Accounts payable *365)/Cost of goods/services procured)

	FY 2023-24	FY 2022-23
Number of days of accounts payables	57	58

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties,

Parameter	Metrics		FY 2023-24	FY 2022-23
Concentration of Purchases	a)	Purchases from trading houses as % of total purchases	16.50%	18.32%
	b)	Number of trading houses where purchases are made	27	27
	c)	Purchases from top 10 trading houses as % of total purchases from trading houses	73.81%	76.41%
Concentration of Sales*	a)	Sales to dealer/distributors as % of total sales (Dealer/distributor means Travel Agent)	9.51%	10.03%
	b)	Number of dealers/distributors to whom sales are made (Dealer/distributor means Travel Agent)	3,080	3,339
	c)	Sales to top 10 dealers/distributors as % of total sales to dealer/distributors (Dealer/distributor means Travel Agent)	19.56%	15.64%
Share of RPTs *1	a)	Purchases (Purchases with related parties/Total Purchases)	1.66%	1.68%
	b)	Sales (Sales to related parties/Total Sales)	23.77%	21.83%
	c)	Loans & advances given to related parties/Total loans & advances	92%	68%
	d)	Investments in related parties/Total Investments made	100%	100%

**Travel Agents (TAs) and Online Travel Agents (OTAs) taken together:*

a. Sales to dealers/distributors as % of total sales - 21.5% (2023-2024), 22.1% (2022-2023)

b. Number of dealers/distributors to whom sales are made - 3606 (2023-2024), 3777 (2022-2023)

c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors - 59.0% (2023-2024), 51.5% (2022-2023)

**1 i) Related Party Transactions are on a standalone basis*

ii) Purchases with Related parties = Training fees + lease rental on a standalone basis (13 hotels in LTHL)

iii) Total Purchases = Total Expenses (including lease rentals)

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
0	N.A.	N.A.

2 Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the company receives periodic/ongoing declarations from its Board Members regarding the entities they have an interest in and then ensures requisite approvals (as required under the statute as well as per company policy). Prior approval of the Audit Committee is mandatory for all transactions with Related Parties and for Material Related Party Transactions Shareholders approval is also taken. In cases where our members of the Board have an interest or a conflict of interest, the concerned director abstains from participating in the discussion during the Board Meeting.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	1.07%	1.83%	We have explored a number of initiatives in the environment and social arena during FY24. A number of these are featured under our CAPEX below.
Capex	1.47%	100%	Initiatives that have impacted our energy efficiency, emissions and overall building management outcomes include: • DF Kits (Dual Fuel Kit) were installed at five properties, enabling a dual fuel arrangement using piped natural gas (PNG) and high-speed diesel (HSD) in a 70:30 ratio. This modification significantly enhances exhaust quality, reducing emissions of pollutants such as CO_2 and SO_2 • Retrofit Emission Control Devices (RECD) have been installed at three properties to reduce emissions from existing DG sets, helping us meet stricter pollution control norms • 39 EV charging stations were installed in 3 cities i.e. Mumbai, Pune, Gurugram • CII/IGBC Green Building certification for 12 hotels (upto 31st March 2024). Our target is to certify all 41 owned/ leased hotels by FY26 • PNG supply in kitchens (switchover from LPG) to align with a cleaner fuel option • Installation of heat pumps that allows for energy efficient heating and cooling

In FY23 BRSR ESG CAPEX was stated on standalone basis.

In FY 24 BRSR ESG CAPEX has bee re-stated as a percentage of total CAPEX at our hotels, including renovation. In both years any project work for new under-construction hotels have not been included.

2 Details on Sustainable Sourcing

a. Does the entity have procedures in place for sustainable sourcing?

Yes

b. If yes, what percentage of inputs were sourced sustainably?

0% We have established a robust procedure for sustainable sourcing. We actively promote our Supplier Code of Conduct and encourage all our suppliers to accept and adhere to its terms and conditions. We place a strong emphasis on suppliers and vendors adopting sound labour practices and treating their workers fairly in accordance with local laws. Currently, we have not calculated the percentage of inputs sourced sustainably, but we remain committed to continually improving our sustainable sourcing efforts.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a hospitality service provider, we do not engage in the manufacturing or selling of products. Nevertheless, we have implemented comprehensive waste management policies and practices for our own operations. For more details, please refer to Principle 6, Essential Indicator, Question 9.

4 i) Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)? No

ii) If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? Not Applicable

iii) If not, provide steps taken to address the same. Not Applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by: Health insurance Number (B)	% (B/A)	Accident insurance Number (C)	% (C/A)	Maternity benefits Number (D)	% (D/A)	Paternity Benefits Number (E)	% (E/A)	Day Care facilities Number (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	2,478	2,478	100%	2,478	100%	0	0%	0	0%	2,478	100%
Female	323	323	100%	323	100%	323	100%	0	0%	323	100%
Total	2,801	2,801	100%	2,801	100%	323	12%	0	0%	2,801	100%
OTHER THAN PERMANENT EMPLOYEES											
Male	646	646	100%	646	100%	0	0%	0	0%	646	100%
Female	117	117	100%	117	100%	117	100%	0	0%	117	100%
Total	763	763	100%	763	100%	117	15%	0	0%	763	100%

b. Details of measures for the well-being of workers:

N.A.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Category	FY 2023-24	FY 2022-23
Cost incurred on wellbeing measures as a % of total revenue of the company	0.90%	1.18%

Note: cost incurred on wellbeing has been calculated on a consolidated basis

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24 No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	FY 2022-23 No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	N.A.	Yes	100%	-	Yes
Gratuity	78%	N.A.	Yes	75%	-	Yes
ESI	57%	N.A.	Yes	67%	-	Yes
Others – please specify	N.A.	N.A.	N.A.	-	-	-

3 Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We take pride in designing all our hotels with universal access in mind. Our goal is to create barrier-free environments that cater to guests of all abilities, mobility levels and ages. By providing accessible public bathrooms and restaurants, we ensure that guests with disabilities feel welcome and included in our local community.

For our specially-abled guests, we offer well-designed rooms equipped with various features for their comfort and convenience. Starting from the entrance ramp that provides easy access to the lobby, our hotels are designed to be hassle-free for physically challenged guests. The lobby area seamlessly connects to elevators, specially designed public toilets and the coffee shop.

Our specially-abled rooms are thoughtfully equipped with features such as user-friendly elevators, close proximity to elevators (often on the first floor), wider main doors (1,000 mm) for wheelchair passage, a lower "'magic eye"" on the main door, lower luggage rack/table (below 450 mm), writing table at least 750 mm in height, bed height at 500 mm, no mini bar adjacent to the bed, key card fixture at a lower height, cordless phone, lower-fixed mirrors, audio-visual fire alarms, and direct emergency call bells at the Front Desk.

In the bathrooms, we ensure wash basins with adjustable heights, WC at 475 mm, shower seats at 475 mm width, knob-type shower mixer handles, hand showers without buckets or spouts, and stainless steel support railings for ease of movement. Additionally, we provide convex mirrors at lower levels and handicapped toilets in public areas with similar facilities."

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes https://www.lemontreehotels.com/factsheet/Policies/LTH_Human_Rights_Policy_October_2021.pdf

Further Details:

We are deeply committed to promoting diversity and gender equality within our organisation, recognising the value it brings in tapping into often overlooked talent pools. As an equal-opportunity employer, we prioritise building a diverse, safe, and inclusive work environment. Embracing individual differences and empowering every employee to reach their full potential is central to fostering innovation, employee satisfaction, and unique ideas.

Our efforts towards inclusivity are focused on creating a workplace where everyone, regardless of their background, can work collaboratively towards shared goals. We understand that equitable employment generation is essential for driving sustainable socio-economic development in our nation. To promote diversity and inclusion, we actively hire Opportunity Deprived Individuals (ODIs), encompassing Employees with Disability (EwD) and those from Economically and Socially Marginalised backgrounds (EcoSoc).

Employees with Disability (EwD)

We began our journey of hiring employees with special needs in 2007. Over the years, we have been strongly committed towards hiring individuals with special needs and creating an accessible and growth-oriented work environment for them. This includes individuals with:

1. Physical disabilities: Speech and Hearing Impaired (SHI), Orthopedically Handicapped (OH), Acid Survivors, Low Vision
2. Intellectual and Developmental Disability (IDD): Down Syndrome, Slow Learner, Mild MR, IDD and Autism

Across all our hotels, we have a significant presence of SHIs, followed by OH. Through our strategic partnerships with NGOs that focus on training of individuals with Intellectual and Developmental needs, we plan to continuously enhance and expand our traineeship model.

Economically and Socially Marginalised segment (EcoSoc)

We have focused on hiring people who belong to socially and economically weaker sections of society since 2016. This includes individuals who fall below the poverty line, widowed or destitute women, orphans/ abandoned girls, transgender persons and those from select states that rank low on education and employment opportunities. By generating employment for these people, we effectively contribute towards poverty alleviation and social justice.

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	83%	50%	N.A.	N.A.
Total	83%	50%	N.A.	N.A.

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	N.A.	N.A.
Other than Permanent Worker	N.A.	N.A.
Permanent Employees	Yes	We have implemented a stringent Sexual Harassment Policy, overseen by the Ombudsman, to ensure a safe and respectful workplace for all. Each of our hotels and the Corporate Office has a dedicated POSH committee in place at every location. Additionally, we have well-defined policies for Vigilance/Whistleblower, Prevention of Corrupt Practices and a comprehensive Code of Conduct. Upholding the utmost priority, we maintain anonymity for individuals raising complaints, ensuring their protection and confidentiality throughout the process. We have an open door policy where employees can discuss issues with any unit or corporate function head. We also conduct regular "Engagement Chat" at hotels so that employees can share their feedback, issues and grievances and ideas for improvement with their General Managers.
Other than Permanent Employees	Yes	-

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	2,801	101	4%	3,125	76	2%
Male	2,478	90	4%	2,790	74	3%
Female	323	11	3%	335	2	1%
Total Permanent Workers	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

8 Details of training given to employees and workers:

	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation *1		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	EMPLOYEES									
Male	3,124	935	30%	4,204	135%	2,042	884	43	1,158	57
Female	440	266	60%	974	221%	405	188	46	217	54
Total	3,564	1,201	34%	5,178	145%	2,447	1,072	44	1,375	56

	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation *1		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
WORKERS										
Male	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	-	-	-
Female	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	-	-	-
Total	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	-	-	-

**1 Note: Skill Upgradation - the %age is more than 100% because an employee undergoes multiple training programs for his/her role (Room Boy, Public Area Attendant, Associate-F&B (Service), etc.). These can be at the basic level or at a higher and more complex (within the person's function) or behavioral skill upgradation.*

Note: All training data above is the sum of employees trained in different programmes and in different months. It includes duplication of people and is not a unique data set. Eg. If Rajat attends the induction, ESG, Front Office 101 and Security in the same year, he is counted four times.

9 Details of performance and career development reviews of employees and worker:

	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	3,124	1,408	45%	2,790	1,341	48%
Female	440	141	32%	335	132	39%
Total	3,564	1,549	43%	3,125	1,473	47%
WORKERS						
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

10 Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes

We have an occupational health and management system in place that encompasses all our employees and hotels.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have an Incident Tracking System that we use to identify work-related hazards and assess risks on both routine and non-routine bases. This system is implemented by our entity to ensure the safety and security of our operations and employees.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)

Yes

We have an Incident Tracking System in place for our employees and workers to report any work-related hazards promptly. This system enables us to take precautionary actions to avoid potential risks.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, we provide health/personal accident and life insurance coverage for all our employees. We have established grievance committees, including the Ombudsman, to address any concerns or issues that may arise. We conduct health camps and workshops at the hotel level, creating awareness and supporting our employees' overall well-being to promote a healthy work-life balance. Our hotel designs also incorporate health and safety measures, benefiting both guests and employees. These measures include fire safety equipment and evacuation procedures, daylighting to enhance natural lighting and sandwich walls to minimise the building's heat envelope, ensuring a safe and comfortable environment for all.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	N.A.	N.A.
	Workers	-	-
Total recordable work-related injuries	Employees	14	15
	Workers	-	-
No. of fatalities	Employees	0	0
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	3	2
	Workers	-	-

** Including in the contract workforce*

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

We have implemented various measures to ensure a safe and healthy workplace. For a detailed insight into our safety practices, please refer to Principle 3, Essential Indicator, Question 10.

13 Number of Complaints on the following made by employees and workers:

FY 2023-24			FY 2022-23		
Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
0	0		0	0	
0	0		0	0	

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

We ensure that all employees are regularly trained on safety/security protocol across all units

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employees	Yes
Workers	N.A.

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Lemon Tree makes sure that all the relevant clauses dealing with statutory compliance are validated and honoured by both sides.

3 Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as Data Needed in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	3	2	3	2
Workers	-	-	-	-

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes. We re-employ recommended employees who have superannuated and who wish to continue working with us on a merit basis.

5 Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0
Working Conditions	0

6 Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

N.A.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

Engaging with our stakeholders is vital as it enables us to comprehend and align with their expectations, ultimately leading to better satisfaction. Their diverse needs serve as valuable inputs that shape our goals and strategic decisions. We have identified twelve (12) distinct stakeholder groups, and we maintain clear commitments to each of them, ensuring we address their specific requirements effectively.

Stakeholder Category	Why we need to engage	How we engage
Employees	Our employees create guest experiences and ensure that their expectations are met and even exceeded. We rely on the service delivery of our employees to enhance our brand image through exceptional service.	We regularly engage with our employees through internal town halls and other mechanisms. Frequent team-building exercises foster harmony and bring synergy to our team. We also rely on forums including new employee "fresh-eyes" discussions and weekly engagement chats between hotel managers and employees on a one-on-one basis to assess their needs.
Customers	Our customers are key stakeholders who experience our service delivery. Our revenues are directly linked with the trust and relationships that we nurture with our customers. Their feedback is critical to our financial success. Our brand standards too evolve based on this ongoing feedback.	We invite direct feedback from our customers prior to departure from our hotels. We also track their comments on our services after they have left our premises i.e. through Online Relationship Management (ORM) platforms. We monitor our social media engagement to understand the live feedback of our customers. We update our customers about hotel launches, new services, and/or periodic offers, through our loyalty program (Lemon Tree Smiles) via emailers, newsletters, etc.
Regulatory Bodies and Government	Ongoing engagement with regulatory bodies and the federal/state/local governments. We seek their support in complying with applicable laws and regulations.	They issue operating licenses and permits, which are critical for us to conduct our business.
Investors and Shareholders	Our investors and shareholders are interested in the success and sustainability of our business. They have provided the foundation, by providing capital, for our business to grow. The motivation to meet/ exceed the expectations of our investors inspires us to continuously improve and, in that process, also deliver better value to other stakeholders.	Our quarterly presentations and annual meetings serve as an opportunity to engage with investors and shareholders regarding our performance and get their feedback. We also invite their feedback on our annual disclosures.
Owners and Partners	Owners/partners who own managed hotels (run by Lemon Tree Hotels) are also responsible for maintaining our brand standards. This asset-light growth model is critical to our business success as it ensures quick geographic spread and penetration, and offers our customers a wide choice across the country.	Our business development team and marketing team engages with owners and partners to ensure they have the necessary tools and support to uphold and enhance our brand's reputation. We also have regular discussions through bilateral meetings with owners and partners.
Suppliers and Vendors	Engaging regularly with our suppliers and vendors is critical for our business, to ensure that the products and services they deliver to us meet our brand standards.	We engage with them frequently through informal interactions and periodical reviews. We discuss product quality, product specifications, timely supply, pricing and payment terms along with ethical and responsible sourcing.
Contractors	We are also supported by an outsourced workforce in providing quality services to our customers. This makes it critical for us to engage with our contractors who ensure the availability of trained staff who can deliver on our standards.	We engage with them frequently through informal interactions, meetings and periodical reviews to discuss matters pertaining to the well-being and engagement levels of our outsourced workforce.
Online Travel Agencies/ Portals	Online Travel Agencies support us in customer acquisition along with providing us insights into customer behavior and decision-making criteria. Reviewing customer feedback on their platforms is an important aspect of our business.	We maintain an open dialogue and conduct frequent meetings to stay connected with them.
NGOs	NGOs help us deliver on our commitment to being an equal opportunity employer by supporting us in selecting and training candidates with disability and candidates from economically/socially marginalised backgrounds (together called Opportunity Deprived Individuals (ODIs)). Moving forward, they will play a pivotal role in supporting the design and implementation of our CSR initiatives.	Our annual reports help our NGO partners assess our priorities and we engage with them regarding further opportunities for collaboration through regular meetings and specific engagement events.
Local Communities	We engage with local communities to understand their needs which helps us deliver greater impact through curated social welfare programs.	We engage with them through our NGO partners and/or local hotel teams.
Industry Associations	Industry associations serve as a platform for us to understand business trends and opportunities and collaborate with our peers in the travel and tourism industry.	We engage in multilateral meetings and events through industry associations and utilise these platforms to communicate our initiatives and learn about the initiatives of others.
Media	We leverage our relationship with media for brand building, engagement with local communities on different initiatives as well as release press notes on hotel launches, special promotions and offers.	We engage with media agencies and personnel regularly through press releases, press notes and briefings. The intent is to publicise our new hotel openings and initiatives. We curate news briefs exclusively for our media partners to keep them apprised of relevant updates about our operations.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Yes, employees who are Opportunity Deprived Individuals (including Employees with Disability and Employees from Economically/ Socially marginalised segments	• Town halls meetings • Team-building exercises • Fresh-eyes discussion • Weekly engagement chats	• Weekly • Monthly • Quarterly • Annually	• Health, Safety and Well-Being • Talent Management and Retention • Diversity and Inclusion • Ethics and Transparency • Energy Management • Water Management • Waste Management • Climate Change
Customers	No	• Direct feedback from our customers (Guest Satisfaction Tracking System (GSTS)), hi@ lemontreehotels.com) • Online Relationship Management (ORM) platforms including Trip Advisor, makemytrip.com, booking.com • Social media engagement • Emailers and newsletters	• Daily • Need based	• Health, Safety and Well-Being • Data Privacy • Diversity and Inclusion • Ethics and Transparency • Climate Change
Regulatory Bodies and Government	No	• One-on-one meetings • Government portals and emails	• Quarterly	• Regulatory compliance
Investors and Shareholders	No	• Quarterly presentations • Annual meetings • Feedback on annual disclosures	• Quarterly • Need based	• Economic Performance • Diversity and Inclusion • Energy Management • Water Management • Waste Management • Climate Change • Customer Satisfaction • Ethics and Transparency
Owners and Partners	No	• Regular engagement • Bilateral meetings	• Need based • Quarterly • Annually	• Economic Performance • Regulatory Compliance • Ethics and Transparency • Diversity and Inclusion • Energy Management • Water Management • Biodiversity Protection • Waste Management • Climate Change
Suppliers and Vendors	No	• Informal interactions • Periodic reviews • Annual supplier audits	• Annually • Need based	• Sustainable Supply Chain • Commitment to Human Rights • Customer Satisfaction
Contractors	No	• Informal interactions • Periodic reviews • Annual supplier audits	• Annually • Need based	• Sustainable Supply Chain • Commitment to Human Rights • Customer Satisfaction
Online Travel Agencies/Portals	No	• Online access to feedback from travellers/guests • One-on-one meetings with the management of OTA	• Daily • Need based	• Customer Satisfaction • Ethics and Transparency
NGOs	Yes	• Regular meetings • Specific engagement events • Annual reports	• Annually • Need based	• Diversity and Inclusion • Local Community Development • Climate Change
Local Communities	Yes, some sections	• Engagement through NGO partners	• Quarterly • Annually	• Diversity and Inclusion • Skilling/training (Talent Management) • Local Community Development • Climate Change
Industry Associations	No	• Multilateral meetings	• Annually • Need based	• Ethics and Transparency • Regulatory Compliance • Energy Management • Water Management • Diversity and Inclusion • Skilling/training (Talent Management)
Media	No	• Press releases • Press notes and briefings	• Quarterly • Annually • Need based	• Footprint Growth • Customer Satisfaction • Regulatory Compliance • Energy Management • Water Management • Diversity and Inclusion

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We have set up various committees on economic and ESG governance and performance monitoring. These committees are Nomination and Remuneration Committee, Share Allotment Committee, Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The Nomination and Remuneration Committee, Finance Committee, Share Allotment Committee, Audit Committee, Stakeholders Relationship Committee, Sustainability Committee, Corporate Social Responsibility Committee, General Management Committee and Risk Management Committee are constituted by the Board and are respectively chaired by an Independent Director. As per their respective terms of reference, the various Committees (statutory as well as internal) meet periodically to review the performance of the Company across various areas. A quarterly performance update and review is conducted by each committee (on the respecitve area) and consolidated reports/follow throughs are presented to the Board in the quarterly meeting. Also, the Company conducts the stakeholder engagement exercise on ESG topics, from time to time.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes

The outcomes of the materiality assessment/stakeholder engagement exercise help the company identify material topics in the area of sustainability/ESG. Based on key material topics, the company's policy setting and strategic approach are developed and implemented. Where required, goals are defined along with monitoring mechanisms and responsibility (for results) is assigned to members of the leadership team. As illustrations:

- Energy management: We endeavour to monitor and reduce our energy consumption on an ongoing basis. We have implemented several initiatives including the use of renewable energy (RE) as well as adopting energy efficient systems across operations
- Water Management: We acknowledge the need to ensure the most efficient use of water. We have implemented several initiatives to reduce our overall water consumption as well as adopt systems to effectively manage our water footprint
- Customer Satisfaction: Our customer-centric approach enables us to provide curated and customised experiences to our guests and cater to their requirements. We regularly conduct satisfaction surveys to obtain feedback on our services
- Ethics and Transparency: We ensure that we conduct our business in an ethical and transparent manner. This includes following a code of conduct as well as ensuring that we are guided by our Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy and Vigil Mechanism

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

VULNERABLE GROUP	CONCERNS	ACTION TAKEN
ODI Employees	• Integration in the team • Training in a manner that they can understand/receive the training content • Supervision and guidance in the early stages	• All our hotel teams are regularly sensitised about disability and inclusion/ diversity. All employees learn Indian Sign Language at Lemon Tree and their knowledge of the language is tested as well • Training for Employees With Disability (EWD) is conducted in a manner that is suitable for that disability i.e. deaf colleagues are trained in an integrated session where there is a 'speaking' trainer and an ISL interpreter who translates alongside; low vision colleagues are given content that is inclusive and accessible; employees with intellectual/developmental disability or autism are not taught in a classroom and are trained through a 6 month+ internship • All supervisors and managers are trained to guide new EWD team members and to be patient with them for the first 6 months+ on the job
NGOs (in the disability sector)	• Absence of an inclusive culture in society and the corporate sector • Companies who are willing to hire Persons With Disability (PWD) • Possibility of sustainable employment solutions	• Our hotels share extensive best practices with other companies in hospitality, restaurants, airlines, retail, BFSI, manufacturing, IT/ITES, and more. These sessions take place in-person and virtually within India and abroad (in-person in the UK (Glasgow), Singapore, and Switzerland and virtual in the UK, Japan, Europe, Israel, and more) • We are an active employer of PWD and act as a strategic partner to NGOs working in the disability space. This is done across its 100+ hotels in India located in 60+ destinations. The inclusion initiative was started in 2007 and has continued through these 17 years (despite the pandemic) making it a highly sustainable endeavour.
Communities (segment of PWD)	• Absence of an inclusive culture in society and the corporate sector • Skilling and training to make PWD candidates employable • Companies who are willing to hire Persons With Disability (PWD)	Similar to the above plus • The Chairman & Managing Director of Lemon Tree was the founding Chairperson of Skill Council for Persons with Disability (SCPWD) and served 2 terms over 5 years. SCPWD is a part of the National Skill Development Council (NSDC) and focussed on making training inclusive and implementable for PWD with different types of disability including Deaf, Visually Impaired, Orthopaedically Handicapped, Down Syndrome, Autism, etc. • Lemon Tree has engaged regularly with the Ministry of Social Justice (MSJE) with the Department of PWD (DePWD) w.r.t. skilling methodology, making companies inclusive and more.

PRINCIPLE 5: Businesses should respect and promote human rights

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
			EMPLOYEES			
Permanent	3,124	1,633	52	2,042	822	40
Other than permanent	440	409	93	405	250	62
Total Employees	3,564	2,042	57	2,447	1,072	44
			WORKERS			
Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other than permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total Workers	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2 Details of minimum wages paid to employees and workers, in the following format:

	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
				EMPLOYEES						
Permanent										
Male	2,478	95	4%	2,383	96%	2,071	125	6%	1,946	94%
Female	323	30	9%	293	91%	249	15	6%	234	94%
Other than Permanent										
Male	646	209	32%	437	68%	719	249	35%	470	65%
Female	117	55	47%	62	53%	86	36	42%	50	58%
				WORKERS						
Permanent										
Male	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Female	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Other than Permanent										
Male	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Female	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

3 Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	8	-	2	-
Key Managerial Personnel	1	-	1	-
Employees other than BoD and KMP	3,122	2,74,259/- pa	439	2,53,895/- pa
Workers	N.A.	N.A.	N.A.	N.A.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Category	FY 2023-24	FY 2022-23
Gross wages paid to females (Gross wages paid to females as % of total wages)	13.72%	13.50%

4 Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The implementation of our Human Rights policy is jointly handled by Corporate HR and the ESG Task Force. This is done through all initiatives around recruitment, training, sensitisation, and diversity/ inclusion.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

All grievances are addressed as and when received by the respective Hotel General Managers/Executive Assistant Managers/Assistant Hotel Managers/Department Heads in coordination with HR and the Corporate Office team (HR, ESG, and relevant Corporate Function Head). All the grievances received are duly investigated and appropriate actions are taken to resolve the matter. Whenever required, disciplinary action is taken to ensure such inappropriate behaviour is not repeated by any employee. For example:

- Our Code of Conduct known as the 'LTH Code', acts as an important guiding force for ensuring that we all work collectively to function as a responsible and ethical organisation. Acting with integrity is key to our organisational growth as well as our future prospects. This code, applicable to all employees of the company, including members of the Board and Senior Management, outlines our commitment to upholding the core values of Lemon Tree including acting with integrity and transparency within the organisation. The Code is supported by a policy on the Prevention of Sexual Harassment (POSH) at the workplace. Any POSH-related complaints are handled by the Internal Complaints Committee.

- Our Whistleblower Policy encourages our employees and others to report violations or suspected violations of the LTH Code and/or any instances of misconduct. This policy provides a robust mechanism for investigating and resolving whistleblower complaints in a time-bound manner while ensuring that our employees are able to raise their concerns without any fear of victimisation and discrimination. We have an open-door policy in order to enable our employees to share their grievances with any member of the management team, apart from their direct supervisor.

6 Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	No Case filed	0	0	No Case filed
Discrimination at workplace	0	0	No Case filed	0	0	No Case filed
Child Labour	0	0	No Case filed	0	0	No Case filed
Forced Labour/Involuntary Labour	0	0	No Case filed	0	0	No Case filed
Wages	0	0	No Case filed	0	0	No Case filed
Other human rights related issues	0	0	No Case filed	0	0	No Case filed

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints Data Needed under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0%	0%
Complaints on POSH upheld	0	0

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have a stringent Sexual Harassment Policy in place, managed by the Ombudsman. Each of our hotels and the Corporate Office has a dedicated POSH committee. Additionally, we have policies for Vigilance/ Whistleblower, Prevention of Corrupt Practices and a comprehensive Code of Conduct. Ensuring a safe and transparent environment, we prioritise all complaints and maintain complete anonymity for the individuals who raise them.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Lemon Tree believes in the principles of the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labor Organisation (ILO) Core Conventions on Labor Standards, all of which include human rights clauses. These clauses are part of the agreements/ contracts with suppliers, partners and NGOs. They are now being extended across the supply chain in the form of the Supplier Code of Conduct.

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

11 Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

Not applicable since we have no reported cases.

Leadership Indicators

1 Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

No complaints were received for FY24 for Human Rights violations. Therefore, there were no modifications or introductions made to our business practices as a result of addressing human rights grievances or complaints. Our Human Rights policy is accessible on our brand website.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

We adhere to the principles of the United Nations Global Compact (UNGC), which includes Human Rights clauses. These clauses are an integral part of our Company's contracts, such as the Supplier/Vendor Code of Conduct. We foster a culture of caring and trust, which is deeply embedded in our policies, including the Environment, Health & Safety Policy, Whistle-Blower policy and Code of Conduct (in the GSRR). We have established a comprehensive Code of Conduct applicable to both senior management and employees, with the objective of promoting ethical business conduct and instilling a strong sense of ownership within our team.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

All Lemon Tree hotels are designed for universal access. Our approach is centred around creating barrier free environments that cater to guests of all abilities, mobility levels and ages. By ensuring accessibility in our public bathrooms and restaurants, we warmly welcome guests with disabilities into our local community. Moreover, our in-house specially-abled guests also enjoy the convenience and comfort of well-designed rooms tailored to their needs. For the majority of our hotels, the guest experience begins with a ramp at the entrance, providing easy access to the lobby and reception. The lobby area seamlessly connects to elevators, a specially designed public toilet for physically challenged guests and the coffee shop. We prioritise accessibility to ensure a hassle-free and enjoyable stay for all our valued guests.

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

5 Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

N.A.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A) in GJ	20,748	17,597
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) in GJ	20,748	17,597

Parameter	FY 2023-24	FY 2022-23
From non-renewable sources		
Total electricity consumption (D) in GJ	1,72,294	1,42,860
Total fuel consumption (E) in GJ	76,030	69,178
Energy consumption through other sources (F)	0	0
Total energy consumed from renewable sources (D+E+F) in GJ	2,48,324	2,12,038
Total energy consumed (A+B+C+D+E+F) in GJ	2,69,072	2,29,635
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations) GJ/INR	0.000025121	0.00002622
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) GJ/INR	0.00002512	0.00002622
Energy intensity in terms of physical output GJ/Total Rooms sold	0.1329	0.1270
Energy intensity (optional) – the relevant metric may be selected by the entity GJ/M2	0.4409	0.4279
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, the BRSR P6 data is assured as part of the Integrated Report by M/s Felix Advisory Pvt. Ltd.	

2 Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	2,68,250.10	2,56,197
(iii) Third party water	5,22,159.59	4,82,978
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,90,409.69	7,39,175
Total volume of water consumption (in kilolitres)	7,90,409.69	7,39,175
Water intensity per rupee of turnover (Water consumed/Revenue from operations) KL/INR	0.00007379	0.00008440
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) KL/INR	0.00007379	0.00008440
Water intensity in terms of physical output KL/Total Rooms Sold	0.54	0.59
Water intensity (optional) – the relevant metric may be selected by the entity KL/M2	1.81	1.97
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, the BRSR P6 data is assured as part of the Integrated Report by M/s Felix Advisory Pvt. Ltd.	

4 Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	45,404	2,655
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	45,404	2,655
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, the BRSR P6 data is assured as part of the Integrated Report by M/s Felix Advisory Pvt. Ltd.	

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NO

6 Details of air emissions (other than GHG emissions) by the entity:

Parameter	Units	FY 2023-24	FY 2022-23
NOx	Units	Currently, we do not have a monitoring system in place to track air pollutants other than greenhouse gases (GHGs). However, we are planning to implement one in the coming years.	
SOx	Units		
Particulate matter (PM)	Units		
Persistent organic pollutants (POP)	Units		
Volatile organic compounds (VOC)	Units		
Hazardous air pollutants (HAP)	Units		
Others – please specify	Units		
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	9,710	10,115
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	38,707	31,850
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	TCO_2e/INR	0.000004520	0.000004792
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	TCO_2e/INR	0.000004520	0.000004792
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO_2e/Total Rooms sold	0.0333	0.0332
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	TCO_2e/M^2	0.1106	0.1119
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, the BRSR P6 data is assured as part of the Integrated Report by M/s Felix Advisory Pvt. Ltd.	

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. We are measuring and monitoring our carbon emissions – Scope 1 and Scope 2, from energy consumption at our hotels and have explored ways to reduce our GHG impact through the following measures:

- Increasing share of renewable energy
- Use of energy efficient equipment
- Action plan to use EV vehicles in hotels
- Use of cleaner fuels (LPG, CNG)
- Phasing out of equipment using Chlorofluorocarbons (CFCs) from our operations
- Planting trees in the neighbourhood or on our premises across India

- Exploring the possibility of going for carbon offsets to further mitigate the adverse effects of emissions from our operations
- Bottling plant installed for drinking water to remove single-use plastic packaged water
- 10-11% reduction in expenditure on packaged water
- Reduction of plastic footprint
- The process incorporates all required cleaning, sanitizing, filling and packaging (date sticker) SOPs
- We have used new technology called CDI (Capacitive De-Ionization) which saves energy and water both. Capacitive Deionization (CDI) technology based water purifier and softener has high water recovery of up to 90%, TDS reduction of up to 90% and low electricity consumption of only 30% as compared to existing Reverse Osmosis (RO) technology.

Biogas Plant (Aurika Skycity) - Biogas plants simultaneously take care of waste management and act as a source of energy. It uses anaerobic digestion, a process where organic waste is broken down by bacteria in the absence of oxygen, thereby producing biogas. Benefits include: renewable energy source (zero emissions), reduce waste disposal costs, contribution to the circular economy.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	161.43	100.50
E-waste (B)	30.76	5.00
Bio-medical waste (C)	1.16	1.26
Construction and demolition waste (D)	1.66	16.08
Battery waste (E)	4.73	6.73
Radioactive waste (F)	0.81	0.04
Other Hazardous waste. Please specify, if any. (G)	3.14	2.82
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	426.76	171.74
Total (A+B + C + D + E + F + G + H)	630.44	304.16
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) MT/INR	0.00000005886	0.00000003473
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) MT/INR	0.00000005886	0.00000003473
Waste intensity in terms of physical output MT/Total Rooms Sold	0.0004341	0.0002408
Waste intensity (optional) – the relevant metric may be selected by the entity MT/M2	0.001440	0.000811
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	-	-

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Through our Waste Management policy, we intend to achieve the following objectives:

1. Deploy best-in-class practices for waste reduction, segregation and management of waste
2. Identify, classify and measure the amount of waste generated throughout the LTH portfolio of owned/leased and managed/franchised hotels
3. Reduce, reuse and recycle various types of waste produced throughout the hotel premises across various areas of operations, guestrooms, restaurants, public areas, and back-of-the-house operations
4. Ensure all existing and new hotels are compliant with the environmental laws as outlined by the Ministry of Environment, Forest and Climate Change (MOEF&CC)
5. Through training and support, ensure that all employees are aware of their responsibilities as per company ESG policy, Waste Management policy and local laws (where applicable)
6. Achieve an optimal waste reduction and diversion rate to measure the performance of our waste management processes

Hazardous waste:

- Used lube oil from DG sets/blowers, etc. – Engineering department
- Used edible oils from kitchens – F&B Production department

11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S.No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Bandhavgarh, Madhya Pradesh	Hotel	Yes, Forest NOC
2	Kochi, Kerala	Hotel	Yes, Coastal Regulation Zone
3	Muhhamma (Alleppey) Kerala	Hotel	Yes, Coastal Regulation Zone
4	Candolim, Goa	Hotel	Yes, Coastal Regulation Zone

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable, as no Environmental Impact Assessment was undertaken during the reporting period.				

13 Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area

Gurugram, Goa, Indore, Kaushambi/Ghaziabad, Aurangabad, Muhamma (Kerala), Ahmedabad, Chennai, Bengaluru, Jaipur, Delhi, Hyderabad, Chandigarh, Bandhavgarh, Dehradun, Pune, Mumbai, Kolkata, Udaipur, Thiruvananthapuram, Kochi, Ludhiana, Vishakhapatnam

(ii) Nature of operations

Hotel/Service Industry

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	2,68,250.1	2,56,197
(iii) Third party water	5,22,159.59	4,82,978
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,90,409.69	7,39,175
Total volume of water consumption (in kilolitres)	7,90,409.69	7,30,549
Water intensity per rupee of turnover (Water consumed/turnover) KL/INR	0.0000738	0.00008695
Water intensity (optional) – the relevant metric may be selected by the entity KL/M2	1.805	1.951
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	45,404	2,655
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	45,404	2,655
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, the BRSR P6 data is assured as part of the Integrated Report by M/s Felix Advisory Pvt. Ltd.	

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

N.A.

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	N.A.	N.A.
Total Scope 3 emissions per rupee of turnover	Units		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Units		
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency			

3 With respect to the ecologically sensitive areas Data Needed at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Lemon Tree's property in Bandhavgarh is located near a forest and the properties in Cochin, Muhamma/ Alleppey and Candolim, Goa are located in coastal regulation zones.

We recognise the impact of the development and operations of our hotels and accept our responsibility towards the surrounding environment, natural resources and biodiversity of the locations where we have our properties. We try to ensure that none of our operations lie within the boundaries of designated protected areas, such as national parks and wildlife reserves. Further, we shall strive to integrate our commitment to conserving biodiversity and habitat into our development/acquisitions and operations strategy.

For example, at Bandhavgarh, some of the measures taken by us to minimise our environmental footprint include:

- Waste Management: We have discontinued the use of packaged drinking water, plastic cutlery, miniature toiletries, and single-use plastic. We have also selected a local partner to process and manage our kitchen waste and the compost generated through this is used in and around the reserve.
- Water Management: The water we use at the resort is treated at the Sewage Treatment Plant and reused to maintain the gardens at our hotel while ensuring no harmful water discharge in and around the resort.
- Supporting Local Flora and Fauna: We recognise our role in supporting the local forest division in managing forest fires near the resort. Furthermore, we have also planted over 100 trees within our premises to maintain the greenery of the surrounding areas.

These initiatives have helped us in ensuring that our operations are not in conflict with nature.

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	LED Bulbs	Energy-efficient, long-lasting, eco-friendly lighting solution with versatile applications	80% Energy savings on lighting load, cost reduction, environmental benefits, improved lighting quality
2	Dual Flush	Water conservation, reduced utility bills, sustainable bathroom solution, environmental impact.	Reduced water usage by using 60% less water per flush, lower utility bills, environmental sustainability
3	VFD	Energy efficiency, precise motor control, cost savings, reduced environmental impact	10% Energy savings in the equipment VFD is installed, reduced electricity costs, improved process control, enhanced efficiency
4	Water Fixtures	Water Conservation, reduced water usage, cost savings, sustainable water management	Water outlets can be customised without diminishing guest experience, lower water bills, reduced strain on water resources
5	Bottling Plant	Sustainable packaging, controlled production, job creation, efficiency, Efficient production, safe distribution of bottled beverages	Ensuring water quality, Reduction in drinking water cost per litre, Reduced plastic waste, improved packaging, efficient production, economic opportunities
6	Heat Pump	Energy-efficient heating and cooling, reduced utility costs, environmental sustainability	Low payback period, Lower energy consumption, reduced carbon emissions, cost savings, enhanced comfort, By product is cool air which can be used at designated areas.
7	Solar Thermal	Renewable energy, reduced carbon footprint, cost savings, sustainable heating solution	Enhanced performance of Hot Water Generator, Clean energy, reduced reliance on fossil fuels, cost savings, environmental sustainability
8	RE onsite	Energy independence, sustainability, cost savings, reduced carbon footprint, environmental stewardship.	Clean energy, reduced reliance on fossil fuels, cost savings, environmental sustainability
9	RE offsite	Expanded renewable energy access, reduced grid dependency, carbon reduction, sustainability, supporting remote communities, environmental stewardship, innovation	Increased renewable energy generation, reduced carbon emissions, enhanced grid resilience, sustainable development

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
10	STP	Protects water resources, prevents pollution, ensures public health, promotes environmental sustainability, wastewater management, community well-being.	Saves domestic water usage by using the treated water for secondary systems and applications viz.gardening/ flushing. Cleaner water bodies, reduced pollution, improved public health, environmental protection
11	RECD (Retro Emission Control Device)	The primary purpose of RECDs is to enhance air quality by controlling the emission of hydrocarbons and carbon monoxide from diesel generators. RECDs are installed on generators and can control and reduce harmful emissions. The device, essentially a stainless steel box, is mounted on the generator's exhaust system. It operates on filter-less technology and captures and reduces specific particles from emissions. It captures carbon matter with an efficiency of more than 90%, significantly reducing the environmental impact of these generators.	
12	DF Kit (Dual Fuel Kit)	Dual Fuel kits are designed to enhance the efficiency and versatility of diesel generators. They allow a diesel generator to run on a combination of two fuels, typically diesel and a gaseous fuel like natural gas or propane. They serve two purposed (1) reduce operating costs (gaseous fuels cost less than diesel). (2) reduces the environmental impact/emits fewer pollutants.	
13	Bio gas Plant	Biogas plants simultaneously take care of waste management and act as a source of energy. It uses anaerobic digestion, a process where organic waste is broken down by bacteria in the absence of oxygen, thereby producing biogas. Benefits include: renewable energy source (zero emissions), reduce waste disposal costs, contribution to the circular economy.	
14	Bottling Plant	Lemon Tree installs water bottling plant (for drinking water) to remove single-use plastic packaged water and reduce our plastic footprint. We also see a benefit of 10-11% reduction in expenditure on packaged water. The plant's SOPs incorporate all required cleaning, sanitizing, filling and packaging (date stickers used). At Aurika Skycity (Mumbai), we have used a new technology called CDI (Capacitive De-Ionization) which saves energy and water both. The CDI based water purification process has a high water recovery of up to 90%, as well as a TDS reduction of up to 90% and low electricity consumption of only 30% as compared to the current Reverse Osmosis (RO) technology.	

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Lemon Tree Hotels maintains a comprehensive business continuity and disaster management plan to ensure the safety and well-being of our guests and staff in unforeseen circumstances. Our plan encompasses protocols for natural disasters, emergencies and other disruptions to operations. It includes measures for guest evacuation, staff training, communication channels, and backup systems for essential services like power and water supply. Regular drills and updates are conducted to ensure readiness.

https://www.lemontreehotels.com/factsheet/Policies/Risk_Management_Policy.pdf?_ga=2.206396179.125232101.1684394259-1688743694.1684394259

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact has been reported by any value chain partner.

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations

Ten

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S.No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Hotel & Restaurant Associations of India (FHRAI)	National
3	Hotel Association of India (HAI)	National
4	Hotel and Restaurant Association of Northern India (HRANI)	State
5	Hotel and Restaurant Association of Western India (HRAWI)	State
6	South India Hotels and Restaurants Association (SIHRA)	State
7	Association of Domestic Tour Operators of India (ADTOI)	National
8	Indian Association of Tour Operators (IATO)	National
9	PHD Chamber of Commerce and Industry	National
10	Federation of Indian Chambers of Commerce and Industry (FICCI)	National

2 Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

N.A. as there were no instances of non-compliance reported during FY24

Leadership Indicators

1 Details of public policy positions advocated by the entity:

S.No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (annually/half-yearly/quarterly/others-please specify)	Web link, if available
Given our expertise in hospitality, inclusion/diversity, and sustainability/ESG, we regularly engage with various stakeholders, including government and regulators, associations and industry chambers. We actively provide our inputs on various areas, such as hotel construction and design, hotel services, inclusion/diversity, skilling of individuals with special needs, renewable energy and more. Over the last two decades, our leadership team has played a pivotal role in shaping public policy and has been invited to participate in numerous committees and task forces. We are committed to contributing to this process responsibly and ethically, ensuring a positive and meaningful impact.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year 2023-24.

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link	Relevant Web link
Not applicable.						

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable. No rehabilitation and resettlement were undertaken by the company.					

3 Describe the mechanisms to receive and redress grievances of the community.

At our Company's hotel construction sites, we collect public complaints through mail/email. The projects team handles these complaints or grievances, with assistance from the Corporate Office when necessary. Additionally, any community member can send their complaint to hi@lemontreehotels.com, and we direct the matter to the appropriate Corporate Function Head for investigation and resolution.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	50%	70%
Sourced directly from within the district and neighbouring districts	84%	85%

5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	84.64%	85.35%
Semi-urban	N.A.	N.A.
Urban	87.65%	86.71%
Metropolitan	87.50%	86.36%

(Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
N.A.	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

N.A.

S.No	State	Aspirational District	Amount spent (In INR)
This information is not currently available			

3 a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

Lemon Trees' sourcing policy does not grant preferential treatment to marginalised or vulnerable suppliers. However, we actively promote procurement from such suppliers, such as acquiring Bastar art from tribal artists in Bastar, Madhya Pradesh.

(b) From which marginalized/vulnerable groups do you procure?

We procure bronze statues and Bastar art directly from tribal artists in Bastar, Madhya Pradesh.

(c) What percentage of total procurement (by value) does it constitute?

In FY24, our purchases accounted for 0% (as they were made in earlier years).

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1	Aurika	Yes (owned)	Yes	0.25% of Gross Revenue
2	Lemon Tree Premier	Yes (owned)	Yes	0.25% of Gross Revenue
3	Lemon Tree Hotels	Yes (owned)	Yes	0.25% of Gross Revenue
4	Red Fox Hotels	Yes (owned)	Yes	0.25% of Gross Revenue
5	Keys Hotels (Prima, Select, Lite)	Yes (owned)	Yes	0.25% of Gross Revenue

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
N.A.		

6 Details of beneficiaries of CSR Projects:

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Muskaan PAEPID (skilling of PWD)	75	100%
2	Action For Autism (skilling of PWD)	50	100%
3	Action for Ability Development and Inclusion (AADI) (skilling of PWD)	30	100%
4	Aasra Trust (skilling of PWD)	30	100%
5	Noida Deaf Society (skilling of PWD)	50	100%
6	Sai Swayam Society (skilling of PWD)	75	100%
7	Sarthak Educational Trust (skilling of PWD)	30	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner. The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We place significant emphasis on customer feedback and Online Reputation Management (ORM). A dedicated team focuses on this aspect across the group, aiming to promptly address any service errors or shortcomings through a well-organised process involving the Hotel Operations Team and the ORM team. We actively encourage our guests to provide feedback through various channels, viz. our Guest Satisfaction Tracking System (GSTS) online source like Tripadvisor and social media platforms and OTAs, including booking.com, makemytrip.com and many more. By valuing and attentively addressing their comments, we continually enhance our services and ensure that our guests' are content.

2 Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product Safe and responsible usage Recycling and/or safe disposal	Not applicable as Lemon Tree does not have specific consumer products. We offer our guests a combination of products (hotel room, food, etc.) and services (check-in, dining, gym, spa, swimming pool). All ESG efforts by the Company get included in any service that we provide.

3 Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	-	-	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4 Details of instances of product recalls on account of safety issues:

N.A.

5 Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

Web link https://www.lemontreehotels.com/privacy-policy

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

None

7 Provide the following information relating to data breaches:

a. Number of instances of data breaches

NIL

b. Percentage of data breaches involving personally identifiable information of customer

NIL

c. Impact, if any, of the data breaches

NIL

Leadership Indicators

1 Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Lemon Tree's offerings and brand details can be found in the About Us section of our website.

www.lemontreehotels.com

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We effectively communicate our sustainability efforts and initiatives to our guests through a number of channels including Lemon Tree's digital platforms, brochures and other collaterals in guest rooms. We find opportunities for our guests to engage in our sustainability activities, example, our half-glass water initiative; third-day linen change; tree plantation in the neighbourhood and more.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Any updates for our guests and customers and the risk of disruption/discontinuation (temporarily) of hotel services is always displayed on our brand website. For example, we had a COVID-19 update page where all safety protocols and hygiene processes were explained during the 2+ years of the pandemic.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

N.A.

CIN: L74899DL1992PLC049022

INDEPENDENT AUDITOR'S REPORT

To The Members of **Lemon Tree Hotels Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Lemon Tree Hotels Limited ("the Parent"), its subsidiaries and Limited Liability Partnership Firm (the Parent, its subsidiaries and Limited Liability Partnership Firm together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein referred to as "the consolidated financial statements".

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, trust, Limited Liability Partnership and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment assessment of hotel properties in subsidiaries** **(Refer Note 33(a) to the Consolidated Financial Statements)** At each reporting period, the Group assesses the carrying amounts of hotel properties of subsidiaries (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the Group estimates the asset's recoverable amount. To assess the recoverability of the CGU, management is required to make significant estimates and assumptions related to forecast of future revenue, operating margins, growth rate and selection of the discount rates. The Group used the discounted cash flow approach to determine the recoverable value of the CGU. These assumptions are of particular importance due to the level of uncertainties and judgment involved, thus changes in these assumptions could have a significant impact on the recoverable value of the hotel properties. We have identified the estimation of the recoverable amount of the hotel properties as a key audit matter because these assumptions are of particular importance due to the level of uncertainties and judgment involved, thus changes in these assumptions could have a significant impact on the recoverable value of the CGU.	**Principal Audit Procedures performed:** i. Obtained an understanding of the Group's process for projecting the future cash flows and evaluated the significant assumptions used for determining the recoverable amount of CGU. ii. Tested the design, implementation and operating effectiveness of relevant internal controls relating to estimate of future cash flows for the purpose of determining recoverable amount of CGU. iii. Challenged Group's key market related assumptions used in the model including discount rate, long term growth rates against external data; iv. Assessed the reliability of cash flow forecasts through a review of actual past performance and managements projections; v. Challenged the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate. vi. We have tested the arithmetical accuracy of the model and assessed the disclosures made by the Group in relation to this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, Limited Liability Partnership Firm and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements

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as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent, its subsidiaries and associates companies which are companies incorporated in India has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of Krizm Hotels Private Limited Employees Welfare Trust ("the Trust") included in the standalone financial statements of the Parent included in the Group whose financial statements reflect total assets of ₹119.84 Lakhs as at March 31, 2024, total revenue of ₹ Nil and net cash inflows amounting to ₹2.71 Lakhs for the year ended on that date, as considered in the standalone financial statements of the Parent included in the Group. These financial statements have been audited by the other auditor whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such Trust, is based solely on the report of the other auditor.

(b) We did not audit the financial statements of 17 subsidiaries and 1 Limited Liability Partnership Firm(as mentioned below), whose financial statements reflect total assets of ₹90,784.53 Lakhs as at March 31, 2024, total revenues of ₹21,375.35 Lakhs and net cash outflows amounting to ₹59.92 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹69.93 Lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of 3 associates (as mentioned below), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, Limited Liability Partnership and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, Limited Liability Partnership and associates is based solely on the reports of the other auditors.

Subsidiaries, Limited Liability Partnership Firm and Associates included in the consolidated financial statements and not audited by us are as below:

A. Subsidiaries –

1. Canary Hotels Private Limited
2. Sukhsagar Complexes Private Limited
3. Manakin Resorts Private Limited
4. Oriole Dr Fresh Hotels Private Limited
5. Carnation Hotels Private Limited
6. Lemon Tree Hotel Company Private Limited
7. Red Fox Hotel Company Private Limited
8. Berggruen Hotels Private Limited
9. Inovoa Hotels and Resorts Limited
10. Ophrys Hotels Private Limited
11. Bandhav Resorts (P) Limited
12. Celsia Hotels Private Limited
13. Nettle Hotels Private Limited (formerly known as Poplar Homestead Holding Private Limited)
14. Madder Stays Private Limited
15. Hamstede Living Private Limited
16. Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)
17. Totally Foxed Solutions Private Limited

B. Limited Liability Partnership Firm

1. Mezereon Hotels LLP

C. Associates

1. Mind Leaders Learning India Private Limited
2. Pelican Facilities Management Private Limited
3. Glendale Marketing Services Private Limited

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, Limited Liability Partnership and associates incorporated in India referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group, its associates including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far

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as it appears from our examination of those books, and the reports of the other auditors, except in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India to whom internal financial controls with reference to financial statements is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and associate companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies, and associate companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 36(c) to the consolidated financial statements;

ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 48 to the consolidated financial statements;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, its subsidiary companies and associate companies incorporated in India. Refer Note 49 to the consolidated financial statements

iv) (a) The respective Managements of the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 54(v) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries, associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 54(vi) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi) Based on our examination, which included test checks and based on the other auditor's reports of its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent Company, its subsidiary companies and associate companies have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2024, wherein:

a) With respect to 20 subsidiary companies, an accounting software did not have audit trail feature enabled throughout the year,

b) With respect to 11 subsidiary companies, in respect of a revenue management software used for maintaining its revenue records, has a feature of recording audit trail (edit log) facility at the application level and the same has operated from July 1, 2023 for all relevant transactions recorded; however the software does not have feature of audit trail at database level to log direct data changes.

c) With respect to 3 associates companies, the accounting software did not have a feature of recording audit trail (edit log) facility, as reported by the respective other auditors.

Further, during the course of our audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with in respect of accounting software for the period for which the audit trail feature was enabled and operating.

(Refer note 53 of the financial statements)

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which

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reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Manakin Resorts Private Limited	U55101DL2005PTC212230	Wholly Owned Subsidiary	xvii
Lemon Tree Hotel Company Private Limited	U55101DL2007PTC158376	Wholly Owned Subsidiary	xvii
Red Fox Hotel Company Private Limited	U55204DL2007PTC157848	Wholly Owned Subsidiary	xvii
IORA Hotels Private Limited	U55101DL2009PTC192981	Subsidiary	xvii and ix(d)
Ophrys Hotels Private Limited	U55101DL2007PTC166020	Subsidiary	xvii
Nettle Hotels Private Limited (formerly known as Poplar Homestead Holding Private Limited)	U55100DL2018PTC342345	Wholly Owned Subsidiary	xvii
Totally Foxed Solutions Private Limited	U72900DL2022PTC403099	Wholly Owned Subsidiary	xvii
Oriole Dr. Fresh Hotels Private Limited	U85110DL2004PTC128937	Wholly Owned Subsidiary	xvii
Madder Stays Private Limited	U74999DL2018PTC342313	Wholly Owned Subsidiary	xvii
Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)	U55100DL2018PTC342311	Wholly Owned Subsidiary	xvii

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sd/-
Rajesh Kumar Agarwal
Partner
Membership No. 105546
UDIN: 24105546BKEPDL6584

Place: Gurugram
Date: May 29, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Lemon Tree Hotels Limited (hereinafter referred to as "Parent") and its subsidiaries companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiaries companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (" ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of

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financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 17 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sd/-
Rajesh Kumar Agarwal
Partner
Membership No. 105546
UDIN: 24105546BKEPDL6584

Place: Gurugram
Date: May 29, 2024

Consolidated Balance Sheet

as at March 31, 2024

	Note No.	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	3,11,428.81	2,45,048.04
(b) Capital work-in-progress	4	2,484.24	46,910.37
(c) Investment Property	5	172.76	176.33
(d) Goodwill on consolidation	6.1	9,508.43	9,508.43
(e) Intangible assets	6.1	3,942.56	635.72
(f) Intangible asset under development	6.2	57.24	1,307.33
(g) Right-of-use asset	7	39,067.93	40,364.48
(h) Financial assets	8		
(i) Investments		523.98	453.94
(ii) Loans		18.52	30.00
(iii) Other non- current financial assets		8,813.34	8,110.53
(i) Deferred tax assets (net)	9.1	3,582.90	3,647.31
(j) Non-Current tax assets (net)	9.2	2,286.77	1,859.37
(k) Other non-current assets	10	882.95	1,576.51
		3,82,770.43	**3,59,628.36**
Current assets			
(a) Inventories	11	1,383.62	1,052.23
(b) Financial assets			
(i) Trade receivables	12	7,147.67	5,597.77
(ii) Cash and cash equivalents	13	3,364.44	2,368.19
(iii) Other bank balances	14 (i)	2,010.00	379.68
(iv) Investments	8	809.12	99.70
(v) Other current financial assets	14 (ii)	315.02	359.10
(c) Other current assets	15	5,504.13	3,746.91
		20,534.00	**13,603.58**
Total Assets		**4,03,304.43**	**3,73,231.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	79,184.55	79,160.71
(b) Other Equity	17	17,504.48	6,212.06
Equity attributable to owners of the parent		**96,689.03**	**85,372.77**
(c) Non-controlling interests	18	57,953.79	55,969.45
Total Equity		**1,54,642.82**	**1,41,342.22**
Liabilities			
Non-current liabilities			
(a) Financial liabilities	19		
(i) Borrowings		1,67,666.64	1,51,742.64
(ii) Lease liability	20	44,234.43	42,526.92
(b) Provisions	21	321.05	249.96
(c) Deferred tax liabilities (net)	9.1	527.84	358.23
		2,12,749.96	**1,94,877.75**
Current liabilities			
(a) Financial liabilities	22		
(i) Borrowings		21,245.03	22,830.26
(ii) Lease liability	20	438.38	583.52
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		1,747.01	1,417.41
- total outstanding dues of creditors other than micro enterprises and small enterprises		6,841.43	5,262.30
(iv) Other current financial liabilities		1,482.95	3,258.34
(b) Provisions	21	596.90	559.89
(c) Other current liabilities	23	3,559.95	3,100.25
		35,911.65	**37,011.97**
Total Liabilities		**2,48,661.61**	**2,31,889.72**
Total Equity and Liabilities		**4,03,304.43**	**3,73,231.94**
See accompanying notes forming part of the financial statements.	1 to 55		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Place: Mumbai
Date: May 29, 2024

CIN: L74899DL1992PLC049022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

	Note No.	For the Year ended March 31, 2024 ₹ in lakhs	For the Year ended March 31, 2023 ₹ in lakhs
Revenue from operations	24	1,07,112.29	87,498.95
Other income	25	563.91	357.65
Total Income		**1,07,676.20**	**87,856.60**
Expenses			
Cost of food and beverages consumed	26	6,277.81	4,990.36
Employee benefits expense	27	18,775.33	14,973.34
Power and fuel	28(a)	7,804.80	6,871.26
Stamp duty expenses	28(b)	-	478.42
Other expenses	28(c)	21,930.16	15,428.88
Total Expenses		**54,788.10**	**42,742.26**
Profit before finance cost, finance income, depreciation and amortization and tax (EBITDA) (refer note 2.2(u))		**52,888.10**	**45,114.34**
Finance costs	29	20,847.05	18,234.65
Finance income	30	(685.24)	(517.41)
Depreciation and amortization expense	31	11,213.10	9,660.16
Net Profit before tax and share of associates		**21,513.19**	**17,736.94**
Share of profit of associate		70.04	86.88
Profit before tax		**21,583.23**	**17,823.82**
Tax expense:			
(1) Current tax	9.1	3,350.52	2,692.87
(2) Deferred tax			
- For current year		1,435.82	1,076.95
- Deferred tax asset not recognized in earlier years		(1,373.77)	-
		3,412.57	**3,769.82**
Profit for the year		**18,170.66**	**14,054.00**
Other comprehensive (loss)/income			
(i) Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		(40.41)	23.38
Income tax effect		4.45	(6.55)
		(35.96)	**16.83**
Total comprehensive income for the year		**18,134.70**	**14,070.83**
Profit for the year		18,170.66	14,054.00
Attributable to:			
Equity holders of the parent		14,848.99	11,456.36
Non-controlling interests		3,321.67	2,597.64
Total comprehensive income for the year		**18,134.70**	**14,070.83**
Attributable to:			
Equity holders of the parent		14,822.77	11,470.46
Non-controlling interests		3,311.93	2,600.37
Earning per equity share (face value of ₹ 10 each)			
(1) Basic	32	1.88	1.45
(2) Diluted	32	1.88	1.45
See accompanying notes forming part of the financial statements.	1 to 55		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Place: Mumbai
Date: May 29, 2024

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Consolidated Statement of Cash flow

for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024 (₹ in lakhs)	For the year ended March 31, 2023 (₹ in lakhs)
A. Cash flow from operating activities		
Profit before tax	**21,583.23**	**17,823.82**
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	11,213.10	9,660.16
Share of profit of associate	(70.04)	(86.88)
Finance income (including fair value change in financial instruments at amortised cost)	(635.25)	(414.20)
Finance costs (excluding bank charges)	20,249.15	17,733.48
Provision for gratuity	80.11	75.68
Provision for leave encashment	37.16	10.81
Excess provision/ credit balances written back	(400.77)	(137.60)
Provision for litigations	22.24	22.11
Provision for doubtful debts	153.78	6.74
Advances written off	-	0.48
Net loss/(gain) on sale of property, plant and equipment	46.81	(18.51)
Net gain on sale of current investments	-	(2.43)
Operating profit before working capital changes:	**52,279.52**	**44,673.66**
Movements in working capital:		
Increase in trade receivables	(1,703.68)	(2,698.77)
Increase in loans and advances and other current assets	(2,693.52)	(1,592.45)
Increase in inventories	(331.39)	(239.92)
Increase in liabilities and provisions	2,551.39	414.45
Cash Generated from Operations	**50,102.32**	**40,556.97**
Direct taxes paid (net of refunds)	(3,601.51)	(2,071.93)
Net cash flow generated from operating activities (A)	**46,500.81**	**38,485.04**
B. Cash flows used in investing activities		
Purchase of property, plant and equipment including adjustment of CWIP, capital advances and capital creditors	(33,117.53)	(16,204.27)
Proceeds from sale of property, plant and equipment	66.59	27.35
Investment in Fixed Deposits (net)	(1,722.04)	(423.74)
Purchase of current investments	(700.00)	-
Proceeds from sale of current investments	-	502.88
Purchase of shares from minority interest	(4,885.36)	(12,787.15)
Interest received	706.48	567.67
Net Cash flow used in investing activities (B)	**(39,651.86)**	**(28,317.26)**
C CASH FLOWS USED IN FINANCING ACTIVITIES*		
Proceeds from issuance of share capital	51.26	170.67
Payment towards reduction of outstanding lease liability	(3,918.79)	(3,790.77)
Proceeds from long term borrowings	36,737.77	17,757.37
Repayment of long term borrowings	(17,063.86)	(15,254.82)
(Repayment)/proceeds of short term borrowings (net)	(5,496.96)	2,205.40
Interest paid	(16,162.12)	(14,316.05)
Net Cash flow used in financing activities (C)	**(5,852.70)**	**(13,228.20)**

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Consolidated Statement of Cash flow

for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024 (₹ in lakhs)	For the year ended March 31, 2023 (₹ in lakhs)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	**996.25**	**(3,060.42)**
Cash and cash equivalents at the beginning of the year	2,368.19	5,428.61
Cash and cash equivalents at the end of the year	**3,364.44**	**2,368.19**
Components of cash and cash equivalents (refer note 13)		
Cash on hand	92.56	79.99
Balances with scheduled banks in		
- Current accounts	3,071.88	1,709.42
- Deposits with original maturity of less than three months	200.00	578.78
Total cash and cash equivalents	**3,364.44**	**2,368.19**

*There are no non-cash changes arising from financing activities.

See accompanying notes forming part of the financial statements. 1 to 55

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Place: Mumbai
Date: May 29, 2024

Consolidated Statement of Changes in Equity

as at March 31, 2024

A. Equity Share Capital

	No. of shares	Amount ₹ in lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 2022	79,08,13,373	79,081.33
Change in shares held by ESOP trust (refer note 16)	7,93,850	79.38
At March 31, 2023	**79,16,07,223**	**79,160.71**
Change in shares held by ESOP trust (refer note 16)	2,38,400	23.84
At March 31, 2024	**79,18,45,623**	**79,184.55**

B. Other Equity

	Reserves and Surplus					Items of Other comprehensive income	Non-controlling interests	Other equity
	Capital reserve	Capital redemption reserve	Securities Premium	General Reserves	Surplus in the statement of profit and loss	Remeasurement gains (losses) on defined benefit plans and income tax effect		
As at April 1, 2022	28,766.12	45.00	10,451.89	3,035.24	(38,279.45)	24.75	56,763.00	60,806.56
Profit for the year	-	-	-	-	14,054.00	-	-	14,054.00
Other comprehensive income for the year	-	-	-	-	-	16.83	-	16.83
Total comprehensive income for the year	-	-	-	-	14,054.00	16.83	-	14,070.83
Total comprehensive loss for the year attributable to non-controlling interests	-	-	-	-	(2,597.64)	(2.73)	2,600.37	-
Adjustment on acquisition of subsidiary (also refer note 44)	(9,393.24)			-	-			(9,393.24)
Change in shares held by ESOP trust (Refer Note 17)	-	-	91.29	-	-	-	-	91.29
Movement during the year	-	-	-	-	-	-	(3,393.92)	(3,393.92)
As at March 31, 2023	**19,372.88**	**45.00**	**10,543.18**	**3,035.24**	**(26,823.09)**	**38.85**	**55,969.45**	**62,181.51**
Profit for the year	-	-	-	-	18,170.66	-	-	18,170.66
Other comprehensive loss for the year	-	-	-	-	-	(35.96)	-	(35.96)
Total comprehensive income for the year	-	-	-	-	18,170.66	(35.96)	-	18,134.70
Total comprehensive loss for the year attributable to non-controlling interests	-	-	-	-	(3,321.67)	9.74	3,311.93	-
Adjustment on acquisition of subsidiary (also refer note 44)	(3,557.77)	-	-	-	-	-	-	(3,557.77)
Change in shares held by ESOP trust (Refer Note 17)	-	-	27.42	-	-	-	-	27.42
Movement during the year	-	-	-	-	-	-	(1,327.59)	(1,327.59)
As at March 31, 2024	**15,815.11**	**45.00**	**10,570.60**	**3,035.24**	**(11,974.10)**	**12.63**	**57,953.79**	**75,458.27**

See accompanying notes forming part of the financial statements. 1 to 55

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Place: Mumbai
Date: May 29, 2024

CIN: L74899DL1992PLC049022

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1. Corporate Information

Lemon Tree Hotels Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Asset No. 6, Aerocity Hospitality District, New Delhi-110037. The shares of the Company are listed on two stock exchanges in India i.e. BSE Limited and National Stock Exchange of India Limited.

The Company, its subsidiaries, associates and limited liability partnership (together referred as ("The Group") intend to carry out business of developing, owning, acquiring, renovating, operating, managing and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Aurika Hotel, Lemon Tree Premier, Lemon Tree Hotel, Red Fox Hotel, Keys Select, Keys Prima and Keys Lite. Also, some of the Group companies provide Project Management Services and Learning & Development services.

The consolidated financial statements for the year ended March 31, 2024 are approved for issue by the Board of directors on May 29, 2024.

2 Basis of preparation of financial statements and material accounting policies

2.1 Basis of preparation and Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost (refer note 39).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto to in use.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest lakhs, expect where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, associates and limited liability partnership (together referred as "The Group") as at March 31, 2024.The Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March.

The consolidated financial statements of the Group include subsidiaries, associates and limited liability partnership listed in the table below:

a) Subsidiaries under Direct Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of interest (Equity and CCPS)	
				March 31, 2024	March 31, 2023
1.	Carnation Hotels Private Limited	Hotel Business	India	100%	100%
2.	Fleur Hotels Private Limited	Hotel Business	India	58.91%	57.92%
3.	Dandelion Hotels Private Limited*	Hotel Business	India	-	-
4.	Lemon Tree Hotel Company Private Limited	Hotel Business	India	100%	100%
5.	PSK Resorts & Hotels Private Limited*	Hotel Business	India	-	-
6.	Canary Hotels Private Limited	Hotel Business	India	100%	100%
7.	Grey Fox Project Management Company Private Limited*	Project management services	India	-	-
8.	Oriole Dr Fresh Hotels Private Limited	Hotel Business	India	100%	100%
9.	Red Fox Hotel Company Private Limited	Hotel Business	India	100%	100%
10.	Sukhsagar Complexes Private Limited	Hotel Business	India	100%	100%
11.	Manakin Resorts Private Limited*	Hotel Business	India	100%	100%
12.	Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited)	Hotel Business	India	100%	100%
13.	Madder Stays Private Limited	Rental Housing	India	100%	100%
14.	Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)	Hotel Business	India	100%	100%
15.	Totally Foxed Solutions Private Limited	Digital transformation	India	100%	100%
16.	Hamstede Living Private Limited	Rental Housing	India	100%	100%

*refer note no. 52

b) Subsidiaries under Indirect Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of interest (Equity and CCPS)	
				March 31, 2024	March 31, 2023
1.	Celsia Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	58.91%	57.92%
2.	Inovoa Hotels & Resorts Limited(Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	58.91%	57.92%
3.	IORA Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	58.91%	57.92%
4.	Hyacinth Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited))	Hotel Business	India	58.91%	57.92%
5.	Bandhav Resorts Private Limited (Subsidiary of Fleur Hotels Private Limited))	Hotel Business	India	58.91%	57.92%
6.	Ophrys Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	58.91%	57.92%
7.	Valerian Management Services Private Limited (Subsidiary of Grey Fox Project Management Company Private Limited)*	Project Designing Services	India	-	-
8.	Berggruen Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	58.91%	57.92%

*refer note no. 52

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Notes to Consolidated Financial Statements

for the year ended March 31, 2024

c) Associate

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of equity interest	
				March 31, 2024	March 31, 2023
1.	Mind Leaders Learning India Private Limited	Learning & Development	India	36.56%	36.56%
2.	Pelican Facilities Management Private Limited (Subsidiary of Mind Leaders Learning India Private Limited)	Facilities Management Services	India	36.56%	36.56%
3.	Glendale Marketing Services Private Limited(Subsidiary of Pelican Facilities Management Private Limited)	Facilities Management Services	India	36.56%	36.56%

d) Limited Liability Partnership

S. No.	Name of the LLP	Principal activities	Country of Incorporation	% of interest	
				March 31, 2024	March 31, 2023
1.	Mezereon Hotels LLP (Capital contribution by Fleur Hotels Private Limited &Celsia Hotels Private Limited)	Hotel Business	India	58.91%	57.92%

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income and expenses of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income and expenses relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary (including deemed acquisition/ deemeddisposal), without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortization recognised in accordance with Ind AS 115 Revenue.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

(a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(b) Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date except to certain instruments which are measured at Amortized cost/ historic cost.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Disclosures for valuation methods, significant estimates and assumptions (note 33)
- Quantitative disclosures of fair value measurement hierarchy (note 39)
- Financial instruments (including those carried at amortised cost) (note 39)

(c) Revenue recognition

The Group apply Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognized.

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In arrangements for room revenue and related services, the Group has applied the guidance in Ind AS 115 for recognition of Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room revenue and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Value added tax (VAT)/Goods & service tax(GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Value Added Taxes (VAT), GST and Luxury Tax. Difference of revenue over the billed as at the period-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of VAT/GST.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from the management services comprises fixed and variable income. An entity recognizes revenue relating to the fixed income over time by measuring the progress towards complete satisfaction of the performance obligation. In respect of variable income, revenue is recognized is on an accrual basis in accordance with the terms of the relevant agreement.

Government grant

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity. Government grants are recognized where there is reasonable assurance that the Company will comply with the conditions attached to it and that the grants will be received.

Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense.

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(f) Taxes

Tax expense represents Current tax and Deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiariesand associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised

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subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

(g) Property, plant and equipment (including Capital work in progress)

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated. Capital work in progress is stated at cost.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on PPE is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of PPE as follows:

Property, plant and equipment	Useful life considered
Plant & Machinery	15 Years
Building	60 Years/Leased remaining life
Electrical equipments and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	8 to 10 Years
Crockery, cutlery and soft furnishings	3 Years
Commercial Vehicles	6 Years
Private Vehicles	8 Years
Computers	3 Years
Network and servers	6 Years

The Group, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets and internally generated softwares are assessed as 3 years and 5 years respectively and the same shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at each year end either individually or at the cash generating unit level. The assessment of

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indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(i) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(j) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during theyear. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

Effective Interest Rate (EIR) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

(k) Leases

The Group assesses that the contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(1) The contract involves the use of an identified asset,

(2) The Group has substantially all of the economic benefits from use of the identified asset, and

(3) The Group has the right to direct the use of the identified asset.

Group as a lessee

The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group adopts the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, exercise price of a purchase option and payments of penalties for terminating the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these low value leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

(l) Inventories

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make sale.

(m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously

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recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(n) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(o) Deferred Revenue

The Group operates a loyalty point's programme, which allows customers to accumulate points when they obtain services in the Group's Hotels. The points can be redeemed for free products/ nights, subject to a minimum number of points being obtained. Consideration received is allocated between the Room Revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

(p) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme.Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Group's contribution made to Life Insurance Corporation is expenses off at the time of payment of premium.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Group treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables etc. For more information on receivables, refer to Note 12.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL or FVTOCI category are measured at fair value with all changes recognized in the P&L or OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Trade receivables or any contractual right to receive cash or another financial asset.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: There are no instruments measured at FVTOCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 19.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements

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of Ind AS 109 and the amount recognised less cumulative amortisation.

If a financial guarantee is an integral element of a debt instrument held by the entity, it should not be accounted for separately.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Share-based payments

Certain employees (including senior executives) of the Group receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over share (equity-settled transactions).

The cost of equity-settled transactions with employees is determined measured at fair value at the date at which they are granted using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(t) Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(u) Measurement of EBITDA

The Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include expense, finance costs, finance income, depreciation and amortization, exceptional items, if any and tax expense.

(u) Indirect taxes

Value Added Taxes/Goods & Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

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- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(w) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity shareholders of the Parent Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Parent Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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3. Property, plant and equipment

₹ in lakhs

Particulars	Tangible Assets								Total (Tangible Assets)
	Freehold land	Building on freehold land	Building on leasehold Land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	
Gross Carrying Amount												
As at April 1, 2022	50,126.08	1,62,096.80	28,998.61	27,244.74	5,619.55	3,329.19	464.60	10,558.72	3,871.89	780.10	1,409.76	2,94,500.03
Additions	-	43.99	-	472.57	6.68	122.39	25.48	152.58	2.27	124.20	207.10	1,157.26
Eliminated on Disposals	-	-	-	10.03	-	-	0.45	-	-	-	45.53	56.00
As at March 31, 2023	**50,126.08**	**1,62,140.79**	**28,998.61**	**27,707.28**	**5,626.23**	**3,451.58**	**489.63**	**10,711.30**	**3,874.16**	**904.30**	**1,571.33**	**2,95,601.29**
Additions	-	12.13	50,467.88	7,012.57	4,045.39	1,338.19	28.23	8,909.30	2,690.85	292.47	623.45	75,420.46
Eliminated on Disposals	-	-	-	3.48	-	9.58	0.54	408.57	-	2.80	118.62	543.59
At March 31, 2024	50,126.08	1,62,152.92	79,466.48	34,716.37	9,671.62	4,780.19	517.32	19,212.03	6,565.01	1,193.97	2,076.16	3,70,478.16
Accumulated Depreciation												
At April 1, 2022	-	11,418.86	3,693.08	11,201.19	3,559.96	2,071.79	260.25	6,616.25	3,435.16	628.85	657.00	43,542.39
Charge for the year	-	2,787.69	483.19	2,363.72	180.40	138.68	23.50	617.68	260.82	68.00	134.35	7,058.03
Eliminated on Disposals	-	0.01	-	8.85	-	-	0.23	-	-	-	38.08	47.17
At March 31, 2023	-	14,206.54	4,176.27	13,556.06	3,740.36	2,210.47	283.52	7,233.93	3,695.98	696.85	753.27	50,553.25
Charge for the year	-	2,061.67	1,955.96	2,574.58	320.22	176.44	24.49	1,075.41	421.86	103.04	212.62	8,926.29
Eliminated on Disposals	-	-	-	2.54	-	8.62	0.40	368.07	-	2.23	48.33	430.19
At March 31, 2024	-	16,268.21	6,132.23	16,128.10	4,060.58	2,378.29	307.61	7,941.27	4,117.84	797.66	917.56	59,049.35
Net Block												
At March 31, 2024	50,126.08	1,45,884.71	73,334.26	18,588.27	5,611.04	2,401.90	209.71	11,270.76	2,447.17	396.31	1,158.60	3,11,428.81
At March 31, 2023	50,126.08	1,47,934.26	24,822.33	14,151.22	1,885.87	1,241.11	206.11	3,477.37	178.18	207.45	818.06	2,45,048.04

₹ in lakhs

	As at March 31, 2024	As at March 31, 2023
Net book value		
Property, plant and equipment	**3,11,428.81**	2,45,048.04

Notes

a) Certain property, plant and equipment are mortgaged as collateral against borrowings, the details related to which have been described in footnote to note 19(i) on 'borrowings'.

b) Refer Note 33 for critical judgements, estimates and assumptions

c) The Property, Plant & Equipment are valued at cost.The Group has not revalued these assets during the year.

d) The lease agreement for leasehold properties on which building is constructed is registered in the name of the Group (Refer note 7).

4. Capital work-in-progress

	As at March 31, 2024 (₹ in lakhs)	As at March 31, 2023 (₹ in lakhs)
Hotel at Shimla*		
Material	2,041.25	1,804.69
Salary wages & bonus	286.06	207.94
Professional charges	151.23	116.46
Others	5.70	5.70
	2,484.24	**2,134.79**

Particulars	Amount (₹ in lakhs)
Balance as at April 01, 2022	1,766.95
Additions during the year	367.84
Balance as at March 31, 2023	**2,134.79**
Additions during the year	349.45
Balance as at March 31, 2024	**2,484.24**

* Represents hotel under construction at Shimla, During the year the Company has reassessed the expected completion date from financial year 2024-25 to 2026-27.

Particulars	Amount (₹ in lakhs)
Hotel at MIAL Aerocity, Mumbai*#	
Balance as at April 01, 2022	27,688.14
Additions during the year	17,087.44
Balance as at March 31, 2023	44,775.58
Additions during the year	27,550.50
Capitalised during the year	(72,326.08)
Balance as at March 31, 2024	**-**

*Represents hotel property at Mumbai, project was commissioned on October 5, 2023

Refer note 43(b)

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Capital work-in-progress	2,484.24	46,910.37

CWIP Ageing schedule

As at March 31, 2024

₹ in lakhs

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	349.45	368.11	219.35	1,547.33	2,484.24
Total	**349.45**	**368.11**	**219.35**	**1,547.33**	**2,484.24**

As at March 31, 2023

₹ in lakhs

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17,455.28	5,276.75	5,567.93	18,610.41	46,910.37
Total	**17,455.28**	**5,276.75**	**5,567.93**	**18,610.41**	**46,910.37**

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5. Investment property

₹ in lakhs

Particulars	Total
Gross Carrying Amount	
As at April 1, 2022	**209.82**
Additions	-
As at March 31, 2023	**209.82**
Additions	-
As at March 31, 2024	**209.82**
Accumulated Depreciation	
At April 1, 2022	**29.92**
Charge for the year	3.57
At March 31, 2023	**33.49**
Charge for the year	3.57
At March 31, 2024	**37.06**
Net Block	
At March 31, 2024	**172.76**
At March 31, 2023	**176.33**

Information regarding income and expenditure of Investment property:

	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ in lakhs	₹ in lakhs
Rental income derived from investment property	20.49	19.38
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(1.05)	(1.00)
Profit arising from investment properties before depreciation and indirect expenses	**19.44**	**18.38**
Less – Depreciation	(3.57)	(3.57)
Profit arising from investment properties before indirect expenses	**15.87**	**14.81**

The Group's investment properties consist of a commercial property in India. The management has determined that the investment property consist of one classes of asset – office space – based on the nature, characteristics and risks of the property. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

As at March 31, 2024 and March 31, 2023, the fair values of the property is ₹ 258.89 lakhs and ₹ 258.89 lakhs respectively. These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property dated March 25, 2014. The management has considered these valuations on the basis that there is no material change in the value of property since acquired, hence no impairment is made during the year.

Reconciliation of fair value:

Particulars	₹ in lakhs
Opening balance as at 1 April 2022	**258.89**
Fair value difference	-
Purchases	-
Closing balance as at March 31, 2023	**258.89**
Fair value difference	-
Purchases	-
Closing balance as at March 31, 2024	**258.89**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant unobservable Inputs
Sales comparable method	Location Size of building Quality of building Visibility of unit Furnished/unfurnished

6.1 Intangible assets

₹ in lakhs

Particulars	Software	Management Contracts	Brand	Total	Goodwill
Gross Carrying amount					
At April 1, 2022	995.21	1,900.00	100.00	2,995.21	9,508.46
Additions	67.29	-	-	67.29	-
At March 31, 2023	1,062.50	1,900.00	100.00	3,062.50	**9,508.46**
Additions	3,496.81	-	-	3,496.81	-
At March 31, 2024	**4,559.31**	**1,900.00**	**100.00**	**6,559.31**	**9,508.46**
Accumulated Depreciation					
At April 1, 2022	721.18	784.27	20.00	1,525.45	0.02
Amortisation	95.34	795.99	10.00	901.33	0.01
At March 31, 2023	816.52	1,580.26	30.00	2,426.78	**0.03**
Amortisation	110.87	69.10	10.00	189.97	0.00
At March 31, 2024	**927.39**	**1,649.36**	**40.00**	**2,616.75**	**0.03**
Net Block					
At March 31, 2024	**3,631.92**	**250.64**	**60.00**	**3,942.56**	**9,508.43**
At March 31, 2023	**245.98**	**319.74**	**70.00**	**635.72**	**9,508.43**

Net book value	As at March 31, 2024	As at March 31, 2023
Intangible assets	3,942.56	635.72

Notes

a) The Intangible assets are valued at cost.The Group has not revalued these assets during the year. Also, refer note 45.

b) The Group has tested the Goodwill for impairment during the year (refer note 45).

6.2 Intangible assets under development

₹ in lakhs

Particulars	Sub Station*	Software**	Total
Balance as at April 01, 2022	**227.91**	**-**	**227.91**
Additions during the year	49.62	1,029.80	1,079.42
Balance as at March 31, 2023	**277.53**	**1,029.80**	**1,307.33**
Additions during the year	11.83	2,468.58	2,480.41
Capitalised during the year	289.36	3,441.14	3,730.50
Balance as at March 31, 2024	**-**	**57.24**	**57.24**

*Intangible assets under development consists of cost incurred on development of - 330KA substation which has been capitalised to Property, plant and equipment on April 18, 2023

** Intangible assets under development consists of cost incurred by Company on development of software. Project is expected to be completed by FY 2024-25.

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7. Right-of-use asset

₹. In lakhs

Particulars	Amount
Gross Carrying Amount (I)	
At April 1, 2022	63,361.78
Additions	-
At March 31, 2023	63,361.78
Additions (Refer note 36)	1,266.92
At March 31, 2024	**64,628.70**
Accumulated Depreciation (II)	
At April 1, 2022	20,374.18
Charge for the year	2,623.12
At March 31, 2023	22,997.30
Charge for the year	2,563.47
At March 31, 2024	**25,560.77**
III. Net Carrying amount(I-II)	
At March 31, 2024	**39,067.93**
At March 31, 2023	40,364.48

Notes:

a) The lease agreement for leasehold properties on which building is constructed is registerd in the name of the Group.

b) Right-of-use assets are valued at cost.The Group has not revalued these assets during the year.

8. Financial assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(I) INVESTMENTS		
Unquoted equity shares of associate companies (at cost)		
340,000 (March 31, 2023: 340,000) equity shares of Mind leaders Learning India Private Limited of Re.1 each fully paid.	523.38	453.34
Quoted investments at fair value through Profit & Loss		
Mutual funds		
5,584.704 (March 31, 2023: 5,584.704) Units of Reliance Low Duration Fund - Direct Growth Plan Growth option	106.98	99.70
14,945.79 (March 31, 2023: Nil) Units of HDFC Liquid Fund Growth Plan	702.14	-
Other unquoted investments at fair value through Profit and Loss		
6,046 (March 31, 2023: 6,046) equity shares of SEP Energy Private Limited of ₹10 each fully paid.	0.60	0.60
	1,333.10	**553.64**
Aggregate book value of quoted investments	809.12	99.70
Aggregate market value of quoted investments	809.12	99.70
Aggregate book value of unquoted investments	523.98	453.94
Current	**809.12**	**99.70**
Non-Current	**523.98**	**453.94**
Total	**1,333.10**	**553.64**

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	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(II) LOANS		
Unsecured considered good		
Loans to employees at amortised cost	18.52	30.00
	18.52	**30.00**

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(III) OTHER NON- CURRENT FINANCIAL ASSETS		
UNSECURED, CONSIDERED GOOD		
Security deposits at amortised cost	7,894.95	7,281.64
Interest accrued on deposits with banks*	329.60	308.72
Fixed deposits under lien*	1,051.05	982.43
	9,275.60	**8,572.79**
Less Provision for doubtful assets	(462.26)	(462.26)
	8,813.34	**8,110.53**

* Fixed deposits under lien and interest accrued on deposits with banks includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

9.1 Deferred tax assets (net)

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Property, plant and equipments and intangible assets	26,732.70	24,761.51
Borrowing	2.29	-
Revaluation of land	405.04	405.04
Deferred tax liability	**27,140.03**	**25,166.55**
Impact of expenditure charged to the statement of profit and loss in the current/ earlier year but allowable for tax purposes on payment basis	515.83	595.58
Right to use asset/lease liability	5,434.67	4,988.27
Provision for doubtful debts and advances	85.79	69.92
Provision for bonus	23.86	23.86
Effect of unabsorbed depreciation and business loss	16,999.55	13,819.21
Provision for gratuity	99.74	95.86
Provision for leave compensation	56.28	62.88
Loyalty program	10.30	9.35
Provision for litigation	26.72	24.06
Provision for slow moving inventory	9.94	9.94
Interest on borrowing u/s 43B	1,448.30	1,462.26
Security deposits- impact of discounting	2,013.78	1,913.12
Provision for contingency	33.36	30.06
Borrowings	-	99.25
Provision for expected credit losses	55.61	43.14
MAT credit entitlement receivable	3,381.36	5,208.87
	(974.19)	(1,059.02)
Deferred tax asset (refer note 33(c))	**30,195.09**	**28,455.63**
Deferred tax (assets)/liability (net)	**3,055.06**	**3,289.08**
Deferred tax asset (net)	(3,582.90)	(3,647.31)
Deferred tax liability (net)	527.84	358.23

As at March 31, 2024, the Group has carry forward tax losses of ₹ 5,276.50 (March 31, 2023: ₹ 7,124.91 lakhs) (with expiry between financial year 2024-25 to 2031-32), Long term capital loss of ₹ 4,496.38 (March 31, 2023: ₹ 4,496.38 lakhs) (with expiry between financial year 2024-25 to 2028-29) and unabsorbed depreciation of ₹ 80,051.53 lakhs (March 31, 2023: 78,088.39 lakhs) with no expiry. Further

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Considering that nature of the Group's certain subsidiaries operations and history of past tax losses, deferred tax assets are recognized to the extent that it is probable that taxable profit will be generated in future against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, it is considered prudent to recognize the deferred tax assets only to the extent of deferred tax liabilities and the Group's certain subsidiaries has not recognised deferred tax assets of ₹ 3,789.93 lakhs (March 31, 2023: ₹ 6,984.38 lakhs).

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year March 31, 2024 and March 31, 2023:

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Profit before tax	21,583.23	17,823.82
Tax rate	29.12%	29.12%
Tax at statutory income tax rate	5,955.75	5,015.68
Effect of incomes taxable at nil/lower/MAT rate	26.10	14.57
Effect of non-deductible expenses	(110.56)	6.77
Income tax charge in respect of earlier year	(1,806.37)	47.82
Impact of change in tax rate	-	23.00
Loss adjusted on account of merger	(55.37)	-
Unrecognized tax assets (net) and other adjustments	(596.98)	(1,306.29)
Other adjustments	-	(31.74)
Net tax expense as per statement of profit and loss	**3,412.57**	**3,769.82**

9.2 Non-Current tax assets (net)

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Advance Income Tax (net of provision for taxation)	2,286.77	1,859.37
	2,286.77	**1,859.37**

10. Other non-current assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Unsecured, considered good		
Capital advances	85.88	1,079.56
Balance with statutory/ government authorities	656.69	335.53
Prepaid expenses	140.38	161.42
Total	**882.95**	**1,576.51**

11. Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Food and beverages (excluding liquor and wine)	282.23	184.07
Liquor and wine	221.19	156.32
Stores, cutlery, crockery, linen, provisions and others (valued at cost)	880.20	711.84
	1,383.62	**1,052.23**

Refer footnote to Note 19(i) for inventories pledged.

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12 Trade receivables

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Trade receivables#		
Unsecured, considered good	7,147.67	5,597.77
Trade Receivables which have significant increase in credit risk	1,825.86	1,694.94
Less: Provision for expected credit loss	(1,825.86)	(1,694.94)
Total Trade receivables	**7,147.67**	**5,597.77**
Trade receivables from non related party	7,147.67	5,597.77
	7,147.67	**5,597.77**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days from the date of invoice.

#Trade receivable ageing schedule based on the requirement of Schedule III

As at March 31, 2024

(₹. in Lakhs)

Particulars	Not due	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	158.53	6,523.25	336.23	123.31	-	6.35	7,147.67
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	55.23	31.10	97.72	128.06	1,500.83	1,812.94
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed TradeReceivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed TradeReceivables – credit impaired	-	-	-	-	-	12.92	12.92
Total	**158.53**	**6,578.48**	**367.33**	**221.03**	**128.06**	**1,520.10**	**8,973.53**
Less: Provision for expected credit loss	-	(55.23)	(31.10)	(97.72)	(128.06)	(1,513.75)	(1,825.86)
Net total	**158.53**	**6,523.25**	**336.23**	**123.31**	**-**	**6.35**	**7,147.67**

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for the year ended March 31, 2024

As at March 31, 2023

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables –considered good	50.20	5,143.20	303.72	53.92	19.57	27.16	5,597.77
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	25.91	34.94	40.36	30.35	1,563.38	1,694.94
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed TradeReceivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed TradeReceivables – credit impaired	-	-	-	-	-	-	-
Total	50.20	5,169.11	338.66	94.28	49.92	1,590.54	7,292.71
Less: Provision for expected credit loss	-	(25.91)	(34.94)	(40.36)	(30.35)	(1,563.38)	(1,694.94)
Net total	**50.20**	**5,143.20**	**303.72**	**53.92**	**19.57**	**27.16**	**5,597.77**

13 Cash and cash equivalents

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Balance with banks		
On current accounts	3,071.88	1,709.42
Deposits with original maturity of 3 months or less	200.00	578.78
Cash on hand	92.56	79.99
	3,364.44	**2,368.19**

Reconciliation of Movements of liabilites to cash flows arising from financing activites:

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Balance as at beginning of the year-Borrowings and lease liabilites	2,17,683.34	2,12,796.57
Movement due to payments made	(5,903.97)	917.17
Movement due to non cash transactions in lease liabilites and borrowings		
-Addition	1, 266.92	-
-Accrual of finance cost	20,538.19	3,969.60
Balance as at end of the year- Borrowings and lease liabilites	**2,33,584.48**	**2,17,683.34**

14 (i) Other bank balances

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Deposits with original maturity of more than 3 months and less than 12 months	2,010.00	379.68
	2,010.00	**379.68**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

14 (ii) Other current-financial assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Security deposits	245.27	210.92
Bank deposits with more than 12 months maturity	23.10	-
Interest accrued on fixed deposits	46.65	148.18
	315.02	**359.10**

Break up of current financial assets carried at amortised cost

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Trade receivables	7,147.67	5,597.77
Cash and cash equivalents	3,364.44	2,368.19
Security deposits	245.27	210.92
Other bank balances	2,033.10	379.68
Interest accrued on fixed deposits	46.65	148.18
	12,837.13	**8,704.74**

15. Other current assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Advances recoverable		
- Others, considered good	1,177.23	964.63
Government incentive receivable	493.17	86.61
Unbilled revenue	14.14	29.34
Balance with statutory/ government authorities	2,522.79	1,652.65
Prepaid expenses	1,296.80	1,013.68
	5,504.13	**3,746.91**

16. Share capital

Authorised Share Capital

	Equity shares (Face Value of ₹ 10 each)		5% Redeemable Preference shares (Face Value of ₹ 100 each)		Preference shares (Face Value of ₹ 100 each)	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At April 1, 2022	1,00,14,40,000	1,00,144.00	1,45,000	145.00	-	-
Increase/(decrease) during the year	-	-	-	-	-	-
At March 31, 2023	**1,00,14,40,000**	**1,00,144.00**	**1,45,000**	**145.00**	**-**	**-**
Increase during the year*	59,50,000	595.00	50,000	50.00	4,90,000	490.00
At March 31, 2024	**1,00,73,90,000**	**1,00,739.00**	**1,95,000**	**195.00**	**4,90,000**	**490.00**

*refer note 52

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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for the year ended March 31, 2024

Issued equity capital#

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of shares	₹ in lakhs
At April 1, 2022	**79,08,13,373**	**79,081.33**
Change in shares held by ESOP trust	7,93,850	79.38
At March 31, 2023	**79,16,07,223**	**79,160.71**
Change in shares held by ESOP trust	2,38,400	23.84
At March 31, 2024	**79,18,45,623**	**79,184.55**

excluding 400,841 equity shares (March 31, 2023: 639,241 shares) held by ESOP trust which has been consolidated in accordance with the requirement of IND AS 110. The movement is explained below:-

(a) Movement of share capital:

	Share capital		Shares held by ESOP trust		Share capital (excluding ESOP trust)	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At April 1, 2022	79,22,46,464	79,224.64	14,33,091	143.31	79,08,13,373	79,081.33
Change in shares held by ESOP trust	-	-	(7,93,850)	(79.38)	7,93,850	79.38
At March 31, 2023	**79,22,46,464**	**79,224.64**	**6,39,241**	**63.93**	**79,16,07,223**	**79,160.71**
Change in shares held by ESOP trust	-	-	(2,38,400)	(23.84)	2,38,400	23.84
At March 31, 2024	**79,22,46,464**	**79,224.64**	**4,00,841**	**40.09**	**79,18,45,623**	**79,184.55**

(b) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2024		As at March 31, 2023	
Name of the shareholder	**No. of shares**	**% held***	**No. of shares**	**% held***
Equity shares of ₹. 10 each fully paid up				
Spank Management Services Private Limited	17,18,24,781	21.69%	17,69,44,863	22.33%
APG Strategic Real Estate Pool N.V.	11,87,30,914	14.99%	11,87,30,914	14.99%
SBI Large and Midcap Fund	5,82,02,476	7.35%	6,00,93,359	7.59%

* Calculated on number of share capital (including ESOP trust)

(c) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 37

(d) Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	March 31, 2024	March 31, 2023
	No. of shares	No. of shares
(i) Equity shares allotted as fully paid, pursuant to amalgamations	-	-
(ii) In addition, the Company has issued total Nil shares (March 31, 2023: 5,833,781) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.		

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(e) Detail of shares held by promoter and promoter group

As at March 31, 2024

S. No.	Promoter Name	Category	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	Percentage of Total shares	Percentage change during the year
1	Patanjali Govind Keswani	Promoter	3,41,564	(3,41,564)	-	0.00%	-0.04%
2	Spank Management Services Private Limited	Promoter	17,69,44,863	(51,20,082)	17,18,24,781	21.69%	-0.65%
3	Toucan Real Estates Private Limited	Promoter Group	3,50,000	(3,50,000)	-	0.00%	-0.04%
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Lillette Dubey	Promoter Group	1,99,908	(24,908)	1,75,000	0.02%	0.00%
6	Ila Dubey	Promoter Group	24,44,292	-	24,44,292	0.31%	-
	Total		**18,70,63,907**	**(58,36,554)**	**18,12,27,353**	**22.88%**	

As at March 31, 2023

S. No.	Promoter Name	Category	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	Percentage of Total shares	Percentage change during the year
1	Patanjali Govind Keswani	Promoter	3,41,564	-	3,41,564	0.04%	-
2	Spank Management Services Private Limited	Promoter	17,94,44,863	(25,00,000)	17,69,44,863	22.33%	-0.32%
3	Toucan Real Estates Private Limited	Promoter Group	3,50,000	-	3,50,000	0.04%	-
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Lillette Dubey	Promoter Group	3,74,908	(1,75,000)	1,99,908	0.03%	-0.02%
6	Ila Dubey	Promoter Group	24,44,292	-	24,44,292	0.31%	-
	Total		**18,97,38,907**	**(26,75,000)**	**18,70,63,907**	**23.61%**	

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Notes to Consolidated Financial Statements

for the year ended March 31, 2024

17. Other equity

	₹ in lakhs
Securities premium	
As at April 1, 2022	10,451.89
Change in shares held by ESOP trust	91.29
As at March 31, 2023	**10,543.18**
Change in shares held by ESOP trust	27.42
As at March 31, 2024	**10,570.60**
Surplus in the Statement of Profit and Loss	₹ in lakhs
As at April 1, 2022	(38,279.45)
Profit for the year	11,456.36
As at March 31, 2023	**(26,823.09)**
Profit for the year	14,848.99
As at March 31, 2024	**(11,974.10)**
Other comprehensive income	
As at April 1, 2022	24.75
Increase during the year	14.10
As at March 31, 2023	**38.85**
Decrease during the year	(26.22)
As at March 31, 2024	**12.63**
Capital Reserve	
As at April 1, 2022	28,766.12
Add: Movement on acquisition of additional interest in subsidiaries (also refer note 44)	(9,393.24)
As at March 31, 2023	**19,372.88**
Less: Movement on acquisition of additional interest in subsidiaries (also refer note 44)	(3,557.77)
As at March 31, 2024	**15,815.11**
General Reserve	
As at April 1, 2022	3,035.24
Increase/(decrease) during the year	-
As at March 31, 2023	**3,035.24**
Increase/(decrease) during the year	-
As at March 31, 2024	**3,035.24**
Capital redemption reserve	
As at April 1, 2022	45.00
Increase/(decrease) during the year	-
As at March 31, 2023	**45.00**
Increase/(decrease) during the year	-
As at March 31, 2024	**45.00**

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Other equity		
Securities Premium	10,570.60	10,543.18
Surplus in the Statement of Profit and Loss	(11,974.10)	(26,823.09)
Other comprehensive income	12.63	38.85
Capital Reserve	15,815.11	19,372.88
General Reserve	3,035.24	3,035.24
Capital redemption reserve	45.00	45.00
	17,504.48	**6,212.06**

Notes:

Securities premium: Securities premium comprises premium received on issue of shares

Surplus in the Statement of Profit and Loss: Surplus in the Statement of Profit and Loss represents balances of profit and loss at each year end.

Other comprehensive income: Other comprehensive income represents accumulated balances of Remeasurement (losses)/gains on defined benefit plans.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Capital reserve: Capital reserve represents reserve on consolidation of subsidiary.

General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paidup capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Capital redemption reserve: The Companies Act provides that companies redeeming its preference shares at face value or nominal value is required to transfer an amount into capital redemption reserve. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.

18 Non-controlling interest

	As at March 31, 2024 ₹ in lakhs
As at April 1, 2022	56,763.00
Total comprehensive loss for the year	2,600.37
Movement during the year	(3,393.92)
As at March 31, 2023	**55,969.45**
Total comprehensive income for the year	3,311.93
Movement during the year (Refer note 44)	(1,327.59)
As at March 31, 2024	**57,953.79**

19. Borrowings

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Non-current borrowings		
Term Loans		
Loans from Banks (Secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 to 2 and 6 below)	6,365.11	8,113.29
Indusind Bank Limited (Refer footnote 17 to 20 below)	9,208.94	10,299.77
Yes bank Limited (Refer footnote 7 to 16 and 46 below)	57,018.29	40,030.63
HDFC Bank Limited (Refer footnote 3 to 5 and 35 to 45 below)	25,810.18	34,508.47
Vehicle loans (Refer footnote 48 below)	478.97	250.11
Axis Bank Limited (Refer footnote 21 to 28 and 47 below)	48,113.29	35,319.74
Aditya Birla Finance Limited (Refer footnote 29 to 34 below)	20,671.86	23,220.63
Total non-current borrowings	**1,67,666.64**	**1,51,742.64**
Current borrowings		
Term Loans		
Current maturity of long term loans from banks (secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 to 2 and 6 below)	1,070.08	732.41
Indusind Bank Limited (Refer footnote 17 to 20 below)	1,092.92	648.33
Yes bank Limited (Refer footnote 7 to 16 and 46 below)	2,677.64	4,171.50
HDFC Bank Limited (Refer footnote 3 to 5 and 35 to 45 below)	9,417.25	7,870.67
Vehicle loans (Refer footnote 48 below)	204.41	177.07
Axis Bank Limited (Refer footnote 21 to 28 and 47 below)	3,961.28	3,218.71
Current maturity of loans from financial institutions		
Aditya Birla Finance Limited (Refer footnote 29 to 34 below)	2,566.84	260.00
Total current maturity of loans	**20,990.42**	**17,078.69**
Less: Amount clubbed under "Short term borrowings" (refer note 22(i))	**(20,990.42)**	**(17,078.69)**
Net current borrowings	**-**	**-**

Notes to Consolidated Financial Statements

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Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Kotak Mahindra Bank Limited	809.00	-	9.05%	Loan was to be repaid in 72 Months (including the 24 Months moratorium period)	**The loan has been prepaid during the year and below charge has been satisfied:** Extension of second charge on all the existing and future current assets / movable fixed assets of the Celsia Hotels Private Limited and second charge by way of equitable mortgage on Immovable property situated at All that piece and parcel of Immovable property being land with commercial(hotel) building bearing plot Nos.54/B and 55/A (part), present panchayat katha No.1960/54/B 55/A,formed in Survey nos.64 & 66, Electronics City, Dodda Thogur Village, Begur Hobli, Bangalore, Karnataka together with all building Structures, installations, fitment, plants and machinery.
2	Kotak Mahindra Bank Limited	6,206.00	8.50%	9.25%	The loan is repayable in 48 quarterly instalments starting from 39th month following the month of first disbursement.	**The loan is secured by:** - First and exclusive charge on all existing and future current assets, movable and immovable fixed assets of the hotel - Red Fox Sector - 60, Gurgaon. - Subservient charge on all existing and future current assets of the Borrower except current assets of the hotel - Red Fox Sector - 60, Gurgaon on which bank has to the exclusive charge - Equitable Mortgage by way of exclusive charge on the land and building of Red Fox Hotel Sector-60, Gurgaon. -Minimum asset cover 1.2x to be maintained throughout the tenor of bank loan as per valuation accepted by bank.
3	HDFC Bank Limited	2,709.00	8.15%	8.25%	Principal is repayment in 36 equal instalments on last day of the month after 12 month of first availment.	**Loan is secured by:** 1) Stocks and book debts - Exclusive charge on all stock and receivables (both present and future) w.r.t. 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 2) Movable - Fixed assets - Exclusive charge on all existing and future Movable fixed assets of the Celsia Hotels Private Limited w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 3) Immovable Fixed assets - Exclusive charge on Immovable land and building w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 4)Corporate guarantee of M/S Fleur Hotels Pvt Ltd.
4	HDFC Bank Limited	809.00	8.25%	8.25%	Loan is repayable in 48 monthly instalments after moratorium of 1 year.	**The Loan is secured by:** 1) Government Guarantee 2)Stocks and book debts - Second charge on all stock and receivables (both present and future) w.r.t. property 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 3)Movable Fixed assets -Second charge on all existing and future Movable fixed assets of the Celsia Hotels Private Limited w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 4)Immovable Fixed assets - Second charge on Immovable land and building w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower.

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for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
5	HDFC Bank Limited	3,500.00	8.73%	8.15%	The loan is repayable in 48 monthly instalments starting from after 24 month of moratorium.	It is secured by second charge over existing primary and collateral securities including mortgages created in favour of the bank at Lemon Tree Hotel Gachibowli, Hyderabad.
6	Kotak Mahindra Bank Limited	2,400.00	8.50%	8.45%	The loan is repayable in 48 monthly instalments starting from after 24 month of moratorium.	**The loan is secured by second charge on:** - all existing and future current assets, movable and immovable fixed assets of the hotel - Red Fox Sector - 60, Gurgaon. - Subservient charge on all existing and future current assets of the Borrower except current assets of the hotel - Red Fox Sector - 60, Gurgaon.
7	Yes Bank Limited	4,500.00	8.97%	9.48%	The loan is repayable 44 structured quarterly installment after a moratorium period of 36 months from the date of first disbursement.	**It is secured by:** a) Exclusive charge on all immoveable fixed assets, moveable fixed assets and current assets of Lemon tree Sector 60 Gurgaon, and covention centre within Hotel premises of 20,000 sq.ft (approx). b) Escrow of all receivables of the project including security deposits. c) Corporate guarantee of Lemon Tree Hotels Limited. d) DSRA equivalent to three months interest and one quarter principal to be created in case of any over dues beyond 30 days in the form of fixed deposits duly lien marked in favour of YBL. e) Minimum security cover of 1.5x on immoveable and moveable fixed assets of the project.
8	Yes Bank Limited	2,500.00	9.00%	9.35%	The loan is repayable 48 structured quarterly installment after a moratorium period of 12 months from the date of first disbursement.	**It is secured by:** a) First charge on all present and future immoveable fixed assets of Red Fox Hotel, Kundli New Delhi. b) First charge on all moveable fixed assets and current assets both present and future of Red Fox Hotel, Kundli New Delhi. c) Escrow of all receivables of project including security deposits. d) Corporate guarantee of Lemon Tree Hotels Limited. e) DSRA equivalent to three months interest and one quarter principal to be created in case of any over dues beyond 30 days in the form of fixed deposits duly lien marked in favour of YBL. f) Minimum security cover of 1.5x on immoveable and moveable fixed assets of the project.

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Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
9	Yes Bank Limited	960.00	9.00%	9.25%	The loan is repayable 36/48 monthly installment after a moratorium period of 12/24 months from the date of first disbursement.	**Loan is secured by:** 1). Second Charge on all movable fixed assets and current assets (both present and future) (including Escrow Account opened with YBL) of the Borrower; 2) Escrow of all receivables of the Hotel including security deposits to remain vaild during the tenor of YBL Loan facilities sanctioned to the Borrower. 3) Second and subsequent Charge on all immovable assets of the Project (present and future). Hotel: 94 key Red Fox Hotel including the 1,800 sq. mtrs. land and hotel building located in Kondli New Delhi.
10	Yes Bank Limited	20,500.00	8.97%	9.48%	The loan is repayable in 52 structured quarterly installments post moratorium period of 36 months from the date of first disbursement.	**It is secured by:** a) First charge on all present and future movable & immoveable fixed assets of the project. Lemon Tree Premier Hotel, Kolkata, Lemon Tree Premier Hotel in Pune, Lemon Tree Hotel in sector 60 Gurgaon and approximately 20,000 sqft convention centre within the hotel premises. b) Escrow of all receivables of the hotels including security deposits (if any). c) Corporate guarantee of Lemon Tree Hotels Limited. d) DSRA equivalent to 3 months interest and 1 quarter principle to be created in case of any over dues beyond 30 days in the form of fixed deposits duly lien marked in favour of YBL.
11	Yes Bank Limited	12,500.00	8.97%	9.48%	The loan is repayable 60 structured quarterly installment after a moratorium period of 60 months from the date of first disbursement.	**It is secured by:** a) Equitable mortgage over 80% share of Land and building (except 2nd basement, ground floor and first floor) on pari passu basis with other lenders for the project, Lemon Tree Premier Hotel, Andheri Mumbai. b) First charge (on pari passu basis) on ther movable fixed assets and all current assets, both present and future of the project, Lemon Tree Premier Hotel, Andheri Mumbai. c) Corporate guarantee of Lemon Tree Hotels Limited.
12	Yes Bank Limited	2,120.00	9.00%	9.25%	The principal shall be repaid in 48 instalments after completion of moratorium of 1 year	**Loan is secured by:** a) Second charge on (entire project land along with structures built thereon and charge on moveable fixed assets and current assets of Cochin hotel project (for Term loan-1) the owned/ freehold hotel properties and over the buildings and structures in respect of leasehold land for the operational hotels (excluding Vizag and Cochin), b) Second charge by way of hypothecation of all the current assets and moveable fixed assets (both present & future) of Berggruen Hotels Private Limited (excluding Vizag), c) Second charge on the current assets(security pertains to overdraft facilty) (Present & future) of the Berggruen Hotels Private Limited (excluding project assets of Vizag hotel) to secure working capital facility.
13	Yes Bank Limited	2,120.00	9.00%	9.25%	The principal shall be repaid in 48 equal monthly instalments after a moratorium period of 2 years.	

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for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
14	Yes Bank Limited	2,387.00	9.00%	9.35%	Repayable in 40 quarterly installments from the date of the loan	**It is secured by:** a) Exclusive charge on (entire project land along with structures built thereon and charge on moveable fixed assets and current assets of Cochin hotel project (for Term loan-1) the owned/ freehold hotel properties and over the buildings and structures in respect of leasehold land for the operational hotels (excluding Vizag and Cochin), b) Exclusive charge by way of hypothecation of all the current assets and moveable fixed assets (both present & future) of Berggruen Hotels Private Limited (BHPL) (excluding Vizag and Cochin), c) First charge on the current assets(security pertains to overdraft facilty) (Present & future) of the BHPL (excluding project assets of Vizag hotel) to secure working capital facility, d) 30% Pledge of Fleur Hotels Private Limited (FHPL) shareholding in BHPL e) Unconditional and Irrevocable Corporate Guarantee of Fleur Hotels Private Limited (FHPL). During the year BHPL has successfully satisfied charge of Yes Bank TL-1 & TL-2
15	Yes Bank Limited	6,107.00				
16	Yes Bank Limited	1,182.00				
17	Indusind Bank Limited	3,481.00	8.63%	8.25%	The loan is repayable 48 structured quarterly instalment	**It is secured by:** a) First charge on all moveable fixed assets (both present and future) and current assets (both present and future) including Escrow account of the borrower. b) First charge on all present and future immoveable fixed assets of the project (130 Keys Lemon Tree Hotels in Whitefield, Bangalore) owned by borrower including the land and hotel building located in Whitefield, Bangalore. c) Escrow of all the receivable of the project including security deposits. d) Unconditional and Irrevocable Corporate Guarantee of Fleur Hotels Private Limited. e) DSRA equivalent to 3 months interest and 1 quarter principal to be created in case of any overdue beyond 30 days in the form of the fixed deposits duly lien marked in favor of IBL. f) Non disposal undertaking executed by Fleur Hotels Private Limited for 51% shares in borrower held directly/indirectly. (g) Minimum security cover 1.5x on immovable and movable fixed assets of the project.
18	Indusind Bank Limited	1310.00	9.25%	9.25%	Principal is repayment in 36/48 equal installments on last day of the month after the 12th/24th month of first availment.	It is secured by second charge with existing credit facilities on security as under: (a) Hypothecation of entire current assets, existing & future, comprising, inter alia, of stock of raw material, work in progress, finished goods, receivable, book debts and other current assets & Machinery. (b) Charge on the entire moveable and immovable fixed assets of the company (present and future) w.r.t Lemon Tree Hotel, Whitefield, Bangalore.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
19	Indusind Bank Limited	5,000.00	8.63%	8.25%	Tenor of 16 years with door door tenor facility shall not exceed 193 months from the date of first disbursement, including moratorium period of nil months.	**It is secured by:** a) First charge on all present and future immoveable assets of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)". b) First charge on all moveable fixed assets (both present and future) (including Escrow account opened with IBL) of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)", c) Exclusive charge on book debts, operating cash flows, credit card receivables, commissions, revenues of whatsoever nature and wherever arising, present and future through Escrow mechanisim of the Hotel "Lemon Tree Amarante Beach Resort (At Candolim, Goa). d) Escrow of all cash flows of Lemon Tree Amarante Beach Resort, Goa including security deposits.
20	Indusind Bank Limited	1,990.00	9.25%	9.25%	It is repayable in 48 equal monthly instalments on the last day of the month after the 24 month of first availment.	**It is Secured By:** a) Second Charge on all present and future immoveable assets of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)". b) Second charge on all moveable fixed assets (both present and future) (including Escrow account opened with IBL) of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa c) Second charge on book debts, operating cash flows, credit card receivables, commissions, revenues of whatsoever nature and wherever arising, present and future through Escrow mechanism of the Hotel "Lemon Tree Amarante Beach Resort (At Candolim, Goa).
21	Axis Bank Limited	10,000.00	8.65%	8.80%	Tenor of 18 years and 9 months including construction period of 1.5 years and moratorium period of 2.5 years with repayments in with 60 quarterly unequal installments.	**It is secured by:** a) Exclusive charge by way of Equitable Mortgage over the land & building at Plot No.1, Khasra No. 979 to 981, Kalarohi, Udaipur, (admeasuring 26390.3 sq. yards or 237513 sq. ft.), b) Exclusive charge over the moveable fixed assets of the Udaipur Hotel, both present and future, c) Exclusive charge by way of hypothecation of all the current assets of Udaipur Hotel, d) Exclusive charge by way of hypothecation of all the cashflows of Udaipur Hotel. e) Corporate Guarantee of Lemon Tree Hotels. f) FACR of 1.50x shall be maintained at all times.

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
22	Axis Bank Limited	16,248.00	8.65%	8.85%	Term Loan I & II Loan is repayable in 40 quarterly instalments with first installment falling due after a period of 3 years from first disbursement. Term Loan III is repayable in 59 quarterly installments commencing 6 months after first disbursement.	**It is secured by way of:** (a) A first pari passu charge on the Borrower's properties & assets, both present & future, pertaining to the Lemon Tree Hotel project of Hyacinth Hotels Private Limited. at Delhi Aerocity Hospitality District (Except Project Land). (b) A first pari passu charge on borrower's all revenues and bank accounts of the borrower , the Escrow account and each of the other accounts are required to be maintained/ created by the borrower under any project document or contract. (c) Right of substitution provided by DIAL under tripartite agreement between DIAL, Hyacinth Hotels and the Lender. (d) Pledge of 51% equity shares of the Company in favor of security trustee i.e. Axis Trustee. However, during the year, 30% shareholding is pledged and against 21% shareholding, lien has been created in favour of Trustee on the basis of Non-disposable undertaking. (e) Corporate guarantee of Lemon Tree Hotels Limited and Fleur Hotels Private Limited. A non fund based facility of ₹3.00 crores from Axis bank Ltd. is secured by second charge, ceded by the term loan lenders, on the aforementioned entire properties, assets, bank accounts, revenues, right of substitution pertaining to Lemon Tree Hotel project at Delhi Aerocity (except Project land) including pledge of 30% equity shares and guarantee of the Fleur Hotels Private Limited, the maturity date of the TL1 loan is August 2024, for TL-3 loan of axis bank is April 2033. and TL-2 has been successfully repaid by the borrowers.
23	Axis Bank Limited	4,928.00	8.65%	8.85%	WCTL is repayable in 48 equal monthly instalments. Tenor of loan is 5/6 years from the date of disbursement including 1/2 year of moratorium.	**It is secured by:-** (a) 100% Credit Guarantee by NCGTC. (b) Second charge over all the borrower's properties and assets, both present and future, pertaining to Lemon Tree Hotel project, situated at Asset No. 6, Aerocity Hospitality District, New Delhi. (Except project land). (c) Second charge/ assignment of all the revenues of the borrower from the hotel or otherwise. (d) Second charge on all the HHPLs bank accounts including without limitation, the ESCROW account and each of the other account(s) required to be maintained/ created by the borrower under any project document or contract. (e) Second charge/ assignment/ security interest on HHPLs all rights, title, benefits, claims/demands under the development agreement, project documents, contracts, insurance policy and all licenses, permits, approvals and consents in respect of the project. (f) Extension of Right of Substitution provided by DIAL for the assets area 6 .i.e the area where the hotel is operational. (g) Extension of pledge of 30% shares of HHPL in favour of Security Trustee. i.e. and NDU for 21% as extended for existing facilities. (h) All cashflows to be done through ESCROW Account.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
24	Axis Bank Limited	4,770.00	8.65%	8.95%	The loan is repayable in 48 monthly installments after a period of 2 years of Moratorium.	**It is secured by second charge:-** (a) Equitable mortgage over land & building situated at Plot no.1, Khasra 979 to 981, Kalarohi, Sisrama, Udaipur (measuring 26,390.3sq). (b) Other moveable fixed assets of the Udaipur Hotels both present and future. (c) Hypothecation of all the current assets of Udaipur Hotel. (d) Hypothecation of all the cashflows of Udaipur Hotel. (e) Equitable mortgage over 80% share of land & building except for 2nd basement, ground floor and 1st floor (total land area admeasuring 5552.90 sq.mtr.) located at Andheri Kurla Road, Mumbai, Maharashtra. (f) Other moveable fixed assets of the Kurla project, both present and future. (g) Hypothecation of all the current assets of the Kurla Project. (h) 100% credit guarantee by NCGTC.
25	Axis Bank Limited	9,500.00	8.65%	8.80%	The Loan is repayable in 60 quarterly instalments after a moratorium period of 5 years.	**It is secured by:** a) Equitable mortgage over 80% share of Land and building (except 2nd basement, ground floor and first floor) on pari passu basis with other lenders for the project, Lemon Tree Premier Hotel, Andheri Mumbai. b) First charge (on pari passu basis) on ther movable fixed assets and all current assets, both present and future of the project, Lemon Tree Premier Hotel, Andheri Mumbai. c) Corporate guarantee of Lemon Tree Hotels Limited.
26	Axis Bank Limited	1,770.00	8.65%	9.35%	The Loan is repayable in 19 quarterly instalments.	**It secured by:** a) Exclusive charge over movable and immovable properties and fixed assets, both present and future, pertaining to Red Fox Hotel situated at Asset No.6 Aerocity Hospitality District, New Delhi-110037(except project land). b) Exclusive charge by way of hypothecation of all the project's movables including movable plant & machinery, machinery spares, tools and accessories. c) Exclusive charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities and subject to prior approval of bank. d) Exclusive charge by way of assignment or creation of charge in favour of the lender of - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (e) All Cash Flow routing to be done through Escrow Account maintained with bank. (f) Right of substitution and other rights under the Substitution Agreement, on pari passu basis with other lenders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
27	Axis Bank Limited	648.00	8.65%	8.45%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	**It is secured by:-** (a) Second charge over all the borrower's properties and assets, both present and future, pertaining to Red Fox Hotel Project, situated at asset area 6, Delhi Aerocity Hospitality District, New Delhi (except project land). (b) Second charge by way of hypothecation of all the project's movables, including movable plant & machinery. machinery, spares, tools and accessories. (c) Second charge on project's book debts, operative cashflows, receivables, commissions, bank accounts, revenue of whatever nature and wherever arising, present and future subject to prior, present and future subject to prior change of bankers on specified current assets for securing working capital facilities and subject to prior approval of the bank. (d) Second charge by way of assignment or creation of charge in favour of lenders: - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (e) Right to substitution and other rights under substitution agreement, on pari-passu basis with other lenders. (f) All cashflows routing shall continue to be done through TRA Account. (g) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited.
28	Axis Bank Limited	326.00	8.65%	8.10%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	
29	Aditya Birla Finance Limited	11,500.00	9.25%	9.90%	Tenor of 12 years with repayment in 48 structured quarterly installment. Repayment of term loan 1 in line with existing lender repayment schedule. The facility have lock-in tenor of 1 year from the date of first disbursement.	**It is secured by:** a) First exclusive charge by way of Mortgage/ Hypothecation on the immovable and movable fixed assets (both present and future) of Lemon Tree Premier Hotel Hitec City, Hyderabad, to provide minimum cover of 1.25x at all times during the tenor of the loan, b) First exclusive charge on the current assets of the Lemon Tree Premier Hotel, Hitec City Hyderabad, c) First exclusive charge on project's bank account including but not limited to Escrow account where entire cash flow of Lemon Tree Premier Hotel, Hitec City, Hyderabad shall be deposited, d) Unconditional and Irrevocable Corporate Guarantee of Lemon Tree Hotels Limited, e) Demand Promissory Note (DPN),
30	Aditya Birla Finance Limited	4,000.00				

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for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
31	Aditya Birla Finance Limited	884.00	9.50%	9.90%	The loan is repayable in 48 equal monthly installments after moratorium of 12 months from the date of 1st disbursement.	**It is secured by:** 1) Second Charge on all moveable and current assets of the Company in connection with its Red Fox Hotel Hyderabad, both present and future. 2) Second Charge Immovable Property Red Fox Hotel Hyderabad of the Company.
32	Aditya Birla Finance Limited	4,500.00	9.50%	9.90%	The loan is repayable in 44 structured quarterly installments after moratorium of 12 months from the date of 1st disbursement.	**It is secured by:** a) First exclusive charge on the Immovable Fixed Assets (both present and future) of the Red Fox Hotel Hyderabad, to provide a minimum cover of 1.50x at all times during the tenor of the loan. b) First exclusive charge on all the Movable Fixed Assets (both present and future) of the Red Fox Hotel Hyderabad. c) First exclusive charge on Escrow of entire cash flow of Red Fox Hotel Hyderabad. d) DPN
33	Aditya Birla Finance Limited	6,500.00	9.60%	10.00%	31 structured quarterly (except for last installment) installments from the date of first disbursement.	**It is secured by:** 1. First exclusive charge on Immovable Fixed Assets (both present and future) of the 'Property' to provide a minimum Fixed Asset Coverage Ratio (FACR) of 1.25x (Market value of Land, Building and all appurtenances therein) at all times during the tenor of the Facility. 2. First & exclusive charge on Current and Movable Fixed Assets (both present and future) of the Property. 3. First & exclusive charge on Escrow Account for routing of entire cash flow pertaining to the Property. 2. Second Pari passu charge on all the Current Assets, Cashflows of the Company (excluding Current Assets, Cashflows pertaining to the Property and Red Fox Hotel, Hyderabad where Aditya Birla has first and exclusive charge), both present and future.
34	Aditya Birla Finance Limited	2,350.00	9.50%	9.90%	The Loan is repayable in 44 Structured Quarterly Installments payable after moratorium period of 12 months from the date of first disbursement.	**It is secured by:** a) First exclusive charge on all the immovable fixed assets (both current and future) of the Lemon Tree Hotel EDM, Kaushambi Ghaziabad to provide minimum cover of 2.00x cover all the times during the tenure of loan, b) First exclusive charge on all the movable fixed assets (both current and future) of the Lemon Tree Hotel EDM, c) First exclusive charge on the escrow account of entire cash flow of Lemon Tree Hotel EDM, d) Unconditional & irrevocable Guarantee by Lemon Tree Hotels Limited, DPN

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
35	HDFC Bank Limited	4,200.00	8.70%	8.90%	Repayable in 48 monthly installments after moratorium of 12 months	**Second Charge by way of Hypothecation on the following:** 1] All the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and any other goods, 2] All the book debts, amounts outstanding, monies receivable, claims and bills which are now due and owing or which may at any time hereafter during. 3] All the plant and machinery both present and future consisting of all 4] The whole of the Security Provider's moveable properties, including its movable plant and machinery, machinery spares, tools and accessories furniture, **Created with charge as below:** It is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of bank. Properties: - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahemdabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore
36	HDFC Bank Limited	2,100.00	8.70%	8.55%	The loan is repayable in 39 step-up quarterly installments.	**It is secured by:** a) First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables. b) A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts, operating cash flows, receivables, commissions, banks accounts (whenever held) if any-present & future all revenues c) Mortgage of leasehold rights of the projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) land admeasuring 0.46 acre (2241.38 sq yrd) and building thereon.
37	HDFC Bank Limited	10,000.00	8.65%	8.55%/ 8.90%	The loan is repayable in 44 consecutive quarterly installments after a moratorium of 1 year.	**It is secured by:** a) First pari passu charge by way of mortgage on Select properties. The borrower shall ensure asset cover ratio should not be less than 1.50x (based on market value of security) at all times. b) First pari passu charge by way of hypothecation in favor of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of Select Properties. Properties:- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad - Hotel Lemon Tree, Chennai - Lemon Tree Premier, Bangalore

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for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
38	HDFC Bank Limited	11,100.00	8.65%	8.90%	The loan shall be repaid in 27 Consecutive quarterly installments as per the schedule mentioned in sanction letter.	**It is secured by:** a) First exclusive charge by way of equitable mortgage on select properties. a) First exclusive charge by way of hypothecation in favour of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of below mentioned properties: Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Lemon Tree Premier, Bangalore.
39	HDFC Bank Limited	4,192.60	8.70%	8.55%	The loan is repayable in 48 monthly installments after a moratorium of 24 months.	It is secured by second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank and security created over the asset of the borrower purchased out of this facility. Properties:- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore
40	HDFC Bank Limited	1300.20	8.74%	8.77%	WCTL is repayable in 48 equal monthly instalments after 1 year of moratorium.	It is secured by second charge over existing primary and collateral securities including mortgages created in favour of the bank w.r.t (Red Fox Hotel situated at Khasra No.102/103/433, Village Jhalana , J.L.N. Marg , Jaipur) l. 100% Credit Guarantee from National Credit Guarantee Trustee Company Limited.
41	HDFC Bank Limited	4,300.00	9.01%	8.35%	The Loan is repayable in 28 quarterly instalments.	**The loan has been re-paid during the year and below charge has been satisfied:** - Exclusive charge by way of Equitable mortgage on all of the Project's (Red Fox Hotel situated at Khasra No.102/103/433, Village Jhalana , J.L.N. Marg , Jaipur) land and building. - Exclusive charge on Company's hotel movables, including movable plant and machinery, machinery spares, furniture and fixtures and all other movable assets, present and future. - Exclusive charge on Project's current assets - book debts, operating cash flows, receivables, commissions, bank accounts both present and future, all revenue. - Further it is secured by Corporate Guarantee of Lemon Tree Hotels Limited. - Pledge of shares of SCPL held by Lemon Tree Hotels Limited.

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for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
42	HDFC Bank Limited	1,000.00	9.00%	8.90%	Repayable in 48 equal monthly instalments after 1 year of moratorium.	It is secured by second charge over existing primary and collateral securities including mortgages created in favour of the bank at Lemon Tree Hotel Gachibowli, Hyderabad.
43	HDFC Bank Limited	1,000.00	9.00%	8.90%	The principal shall be repaid in 48 monthly instalments after completion of moratorium of 2 year.	
44	HDFC Bank Limited	5,302.00	9.01%	8.20%	The Loan is repayable in 48 Structured Quarterly Instalments	**It is secured by:** a) First and exclusive charge on movable and immovable fixed assets at the Lemon Tree Hotel Gachibowli, Hyderabad. b) First and exclusive charge on escrow account of entire cash flows of the Lemon Tree Hotel Gachibowli, Hyderabad. c) Corporate guarantee of Lemon Tree Hotels Limited.
45	HDFC Bank Limited	5,200.00	8.69%	8.60%	The principal shall be repaid in 48 monthly instalments after completion of moratorium of 24 months.	**It is secured by:** (a) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited. (b) Extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the bank and security created over the assets of the borrower purchased out of this facility at Lemon Tree Premier, Hitech City, Hyderabad
46	Yes Bank Limited	25,000.00	9.00%	-	The principal shall be repaid in 54 quarterly instalments starting with October'25	**It is secured by:** a) First Pari Passu charge on 100% security Deposit placed by the Borrower with MIAL b) First Pari Passu Charge on moveable fixed assets (except the machinery specifically charged to Axis Bank) & current assets (incl. escrow a/c). Post retirement of Axis Bank LCs, the underlying equipment shall be part of overall project security. c) Assignment of all rights, titles, interests arising out of Grant extended to the Borrower by Mumbai International Airport Private Limited (MIAL) through the Development Agreement entered between them on February 02, 2015 vide tripartite Substitution agreement to be entered into between Lenders / Security Trustee, Borrower and MIAL d) Corporate Guarantee of Lemon Tree Hotels Limited and Fleur Hotels Private Limited e) Pledge of 30% shares of the Borrower under Pari Passu Arrangement with other lenders f) 5 UDCs against the overall facility amount sanctioned to the borrower

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Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
47	Axis Bank Limited	20,000.00	8.65%	-	The principal shall be repaid in 54 quarterly instalments starting with October'25	**It is secured by:** a) First Pari Passu charge on 100% security Deposit placed by the Borrower with MIAL b) First Pari Passu Charge on moveable fixed assets (except the machinery specifically charged to Axis Bank) & current assets (incl. escrow a/c). Post retirement of Axis Bank LCs, the underlying equipment shall be part of overall project security. c) Assignment of all rights, titles, interests arising out of Grant extended to the Borrower by Mumbai International Airport Private Limited (MIAL) through the Development Agreement entered between them on February 02, 2015 vide tripartite Substitution agreement to be entered into between Lenders / Security Trustee, Borrower and MIAL d) Corporate Guarantee of Lemon Tree Hotels Limited and Fleur Hotels Private Limited e) Pledge of 30% shares of the Borrower under Pari Passu Arrangement with other lenders f) UDCs against the overall facility amount sanctioned to the borrower
48	Vehicle loan (different banks)	-			These loans are repaid on agreed monthly installments.	Vehicle loan is secured by hypothecation of underlying motor vehicle acquired out of such loans from HDFC Bank Limited and Axis Bank Limited.

(i) The Group has not defaulted in the repayment of loans and interest as at Balance Sheet date

(ii) Bank loans availed by the Group are subject to certain covenants relating to interest coverage ratio, debt service coverage ratio, capital gearing ratio, fixed assets coverage ratio.

(iii) The Group has complied all significant covenants from bank and financial institutions as per the terms of the loan agreement.

(iv) The Group has used borrowings from banks/financial institutions for the specific purpose of working capital requirement and/or setting new projects.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

20. Lease liability

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Balance at beginning of the year	43,110.44	42,931.62
Additions during the year (Refer note 36)	1,266.92	-
Interest accrued during the year (refer note 29)*	4,214.24	3,969.60
Payment of lease liabilities	3,918.79	3,790.78
Balance at end of the year	**44,672.81**	**43,110.44**
Current	438.38	583.52
Non-Current	**44,234.43**	**42,526.92**

*During the year the Group has capitalised ₹ 286.15 lakhs (March 31, 2023: ₹ 538.54 lakhs).

21. Provisions

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Provision for gratuity (refer note 35)	**392.06**	**309.99**
Current	71.01	60.03
Non-current	321.05	249.96
Provision for leave benefits	**215.22**	**211.43**
Current	215.22	211.43
Non-current	-	-
Provision for litigations (refer note 36)	**224.31**	**202.07**
Current	224.31	202.07
Non-current	-	-
Provision for stamp duty (refer note 50)	**86.36**	**86.36**
Current	86.36	86.36
Non-current	-	-
Total current	**596.90**	**559.89**
Total non-current	**321.05**	**249.96**

22. Financial liabilities

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(i) Short term borrowings		
Cash credit from banks (Secured)*	254.61	5,751.57
Current maturities of long-term borrowings (refer note 19)	20,990.42	17,078.69
	21,245.03	**22,830.26**

*Basis on several terms and conditions as specified in sanction letters, the Group submits quarterly returns/statements, cash flow mismatch statements and unaudited quarterly statements with banks/ financial institution and these returns/ statements are materially in agreement with the books of accounts.

A The Cash credit facility and working capital loan from HDFC Bank Limited is repayable on demand and carries interest rate of 8.63% p.a. (March 31, 2023: 9.20%) and is secured by way of:

a) First exclusive charge by way of mortgage on select properties.

b) First exclusive charge by way of hypothecation on all moveable fixed assets and current assets including movable plant and machinery, machinery spares, tools and accessories, furniture fixtures, vehicle and all other movable assets present and future of select properties.

B The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 8.97% p.a. (March 31, 2023: 9.48% p.a) and is secured by way of:

a) Exclusive charge on all movable assets and current assets of Lemon Tree Hotel Kolkata and Lemon Tree Premier Pune and

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b) First charge on all present & future immovable fixed assets(80% portion of undivided part of land) of the Lemon Tree Premier Andheri kurla Road, Mumbai

c) First charge on all present & future movable fixed assets and current assets of the Lemon Tree Premier Andheri kurla Road, Mumbai

d) Corporate Gaurantee of Lemon Tree Hotels Limited

C The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 9.00% p.a.(Mach 31, 2023: 9.35%) and is secured by way of:

a) First Charge on the current assets (Present & Future) of Berggruen Hotels Private Limited (excluding project assets of Vizag Hotel) to secure the working capital facility."

D The Cash credit facility and working capital loan from HDFC Bank Limited is repayable on demand and carries interest rate of 8.75% p.a. (March 31, 2023: 8.75%) and is secured by way of:

a) Exclusive charge on entire movable assets of Carnation Hotels Private Limited (Current as well as future assets).

b) Corporate Guarantee of Lemon Tree Hotels Limited.

(ii) Trade payables

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Trade Payables*		
- Micro and small enterprises	1,747.01	1,417.41
- Other than Micro and small enterprises	6,841.43	5,262.30
	8,588.44	**6,679.71**

*Trade payables ageing schedule based on the requirement of Schedule III

As at March 31, 2024 (₹. in Lakhs)

Particulars	Not Due	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	1,747.01	-	-	-	1,747.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,988.34	2,230.33	395.44	26.06	201.26	6,841.43
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

As at March 31, 2023 (₹. in Lakhs)

Particulars	Not Due	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	1,417.41	-	-	-	1,417.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,156.95	1,776.14	73.16	60.42	195.63	5,262.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

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for the year ended March 31, 2024

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(iii)Other financial liabilities		
Interest accrued but not due on borrowings	29.40	32.29
Sewage treatment plant (STP) liability	-	235.00
Book overdraft	103.02	14.00
Other payables		
- Payable for capital goods	1,304.09	2,930.61
- Sundry deposits	46.44	46.44
	1,482.95	**3,258.34**

23. Other current liabilities

	As at March 31,2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Advance from customers	1,600.88	966.37
Deferred revenue- loyalty programme	35.37	32.11
Statutory dues (Provident fund, GST, TDS and other statutory dues)	1,923.70	2,101.77
Total	**3,559.95**	**3,100.25**

24. Revenue from operations

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Revenue from operations		
Sale of products and services		
- Room rental	81,411.35	67,709.05
- Food and beverage (excluding liquor and wine)	11,877.05	9,896.16
- Liquor and wine	1,394.46	1,076.90
- Banquet rentals	734.57	467.40
- Telephone and telex	5.84	6.40
- Other Services (including service charge income)	5,842.85	4,762.06
Other Operating Revenue		
- Management fee	5,007.51	3,580.66
- Government grant (refer note 51)	838.52	-
- Commission income	0.14	0.32
Revenue from operations	**1,07,112.29**	**87,498.95**

25. Other Income

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Profit on sale of property, plant and equipment	-	18.51
Rent received	90.30	66.12
Excess provision/ credit balances written back	400.77	137.60
Government grant (refer note 51)	-	86.61
Miscellaneous income	72.84	48.81
	563.91	**357.65**

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for the year ended March 31, 2024

26. Cost of food and beverages consumed

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
(a) Consumption of food and beverages excluding liquor and wine		
Inventory at the beginning of the year	184.07	141.44
Add: Purchases	5,937.69	4,724.58
	6,121.76	**4,866.02**
Less: Inventory at the end of the year	282.23	184.07
Cost of food and beverage consumed	**5,839.53**	**4,681.95**
(b) Consumption of liquor and wine		
Inventory at the beginning of the year	156.32	127.52
Add: Purchases	503.15	337.21
	659.47	**464.73**
Less: Inventory at the end of the year	221.19	156.32
Cost of liquor and wine consumed	438.28	308.41
	6,277.81	**4,990.36**

27. Employee benefits expense

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Salaries, wages and bonus	16,819.39	13,076.52
Contribution to provident fund and other funds	905.40	787.26
Gratuity expense	80.11	72.47
Staff welfare expenses	970.43	1,037.09
	18,775.33	**14,973.34**

28. (a). Power and fuel

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakh
Power and fuel	7,804.80	6,871.26
	7,804.80	**6,871.26**

28. (b). Stamp duty expenses

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakh
Stamp duty expenses	-	478.42
	-	**478.42**

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for the year ended March 31, 2024

28 (c). Other expenses

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	1,605.60	1,552.71
Lease rent	758.30	556.65
Linen & uniform washing and laundry expenses	972.45	556.39
Guest transportation	915.38	505.12
Spa expenses	337.23	225.56
Subscription charges	198.83	160.36
Repair and maintenance		
- Buildings	2,171.91	1,048.54
- Plant and machinery	1,539.62	1,407.18
- Others	1,012.54	681.20
Rates and taxes	2,077.21	1,699.63
Insurance	377.50	290.00
Communication costs	563.78	444.90
Printing and stationery	291.95	208.43
Traveling and conveyance	141.67	171.76
Vehicle running and maintenance	195.91	161.37
Advertisement and business promotion	521.96	156.47
Commission -other than sole selling agent	4,752.20	3,203.41
Security and cleaning expenses	1,249.56	905.09
Membership and subscriptions	49.63	34.51
Legal and professional fees	1,253.77	977.89
Advances written off	-	0.48
Freight and cartage	5.16	4.94
Corporate social responsibility*	55.69	7.15
Loss on sale/write off of property, plant and equipment (net)	46.81	-
Provision for doubtful debts	153.78	6.74
Payment to auditor (Refer note below)	161.42	136.02
Miscellaneous expenses	520.30	326.38
	21,930.16	**15,428.88**
Payment to auditor (excluding Goods and service tax)		
Audit fee and limited review	143.25	118.25
Tax audit fee	3.25	3.25
Other attest services	8.00	8.60
Out of pocket expenses	6.92	5.92
	161.42	**136.02**

*** Details of CSR expenditure:**	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
(a) **Gross amount required to be spent by the Group during the year**	55.69	5.33
(b) **Amount spent during the year ended on March 31, 2024:**	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	55.69	-
(c) **Amount spent during the year ended on March 31, 2023:**	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	7.15	-

The Group, through CSR initiative focuses on following areas:

- Purchase of Antismog gun for environment
- Empowerment of weaker section of society through education and skill training
- Giving special care to disabled's, advocacy for inclusion and early identification of person with disabilities

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for the year ended March 31, 2024

29. Finance costs

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Interest		
- on term loans from banks	13,921.51	12,663.77
- on loans from financial institutions	2,131.68	1,440.51
- on vehicle loans	44.53	35.64
- on lease liability (refer note 20)	3,928.09	3,431.05
- on other credit facilities from banks	210.11	162.32
- on income tax	12.46	0.13
- on others	0.77	0.06
Bank charges (including commission on credit card collection)	597.90	501.17
	20,847.05	**18,234.65**

30. Finance income

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Profit on sale of investment	-	2.44
-Bank Deposits	129.58	119.90
-Others	496.25	288.89
Interest on income tax refund	49.99	100.77
Fair value profit on financial instruments at fair value through profit or loss	9.42	5.41
	685.24	**517.41**

31. Depreciation and amortization expense

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Depreciation on property, plant and equipment	8,926.29	7,058.03
Amortization of intangible assets	189.97	901.33
Amortisation of Right to use asset	2,093.27	1,701.14
Depreciation on investment properties	3.57	3.57
Depreciation capitalized	-	(3.91)
Total	**11,213.10**	**9,660.16**

32. Earnings per share (Basic EPS and Diluted EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Notes to Consolidated Financial Statements

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The earnings and weighted average number of ordinary shares used in the calculation of Basic and Diluted EPS are as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity holders (for basic and diluted) (₹ In Lakhs)	14,848.99	11,456.36
Weighted average number of equity Shares (for basic and diluted earnings per share)*	79,17,26,749	79,12,11,385
Basic and Diluted loss per share	1.88	1.45

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. The shares of the Company has been listed on BSE Limited and National Stock Exchange of India Limited with effect from April 9, 2018.

33. Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and other commitments. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical judgements, estimates and assumptions

a. Impairment of property, plant and equipment

Each hotel property is an identifiable asset that generates cash inflows and is independent of the cash inflows of the other hotel properties, hence identified as cash generating units. The Group assesses the carrying amount of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount Rate (pre tax rate of WACC)	11.70%-13.50%	12.50%
Long Term Growth Rate	5.00%	5.50%

As at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount.

b. Leases

The Group has taken certain land and land & building on long term lease basis. The lease agreements generally have an escalation clause and are generally non-cancellable. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires judgment. The Group uses judgement in assessing the lease term and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate.

c. Loss Allowance on trade receivables (Expected credit loss)

An impairment analysis of trade receivables is performed at each reporting period based on the Group's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2024 is considered adequate.

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34. Statutory Group Information

(₹. in Lakhs)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated profit and loss	₹ in lakhs	As % of consolidated other comprehensive income	₹ in lakhs	As % of total comprehensive income	₹ in lakhs
Parent								
Lemon Tree Hotels Limited								
Balance as at March 31, 2024	28.68%	1,15,659.91	53.35%	9,693.45	24.50%	(8.81)	53.40%	9,684.64
Balance as at March 31, 2023	28.38%	1,05,924.01	56.02%	7,873.18	81.45%	13.71	56.05%	7,886.89
Subsidiaries								
1 Fleur Hotels Private Limited								
Balance as at March 31, 2024	41.07%	1,65,622.19	30.84%	5,604.60	4.57%	(1.64)	30.90%	5,602.96
Balance as at March 31, 2023	42.87%	1,60,019.23	25.44%	3,575.05	11.74%	1.98	25.42%	3,577.03
2 Celsia Hotels Private Limited								
Balance as at March 31, 2024	2.24%	9,014.71	5.92%	1,076.02	(854.95%)	307.45	7.63%	1,383.47
Balance as at March 31, 2023	2.04%	7,631.24	5.69%	799.57	1953.57%	328.83	8.02%	1,128.40
3 Mezereon Hotels LLP								
Balance as at March 31, 2024	0.00%	0.26	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
Balance as at March 31, 2023	0.00%	0.38	0.00%	(0.16)	0.00%	-	0.00%	(0.16)
4 Inovoa Hotels & Resorts Limited								
Balance as at March 31, 2024	0.58%	2,356.20	0.62%	112.93	(106.10%)	38.15	0.83%	151.08
Balance as at March 31, 2023	0.59%	2,205.12	5.66%	794.77	253.99%	42.75	5.95%	837.52
5 Manakin Resorts Private Limited								
Balance as at March 31, 2024	0.34%	1,353.95	(0.14%)	(26.03)	0.83%	(0.30)	(0.15%)	(26.33)
Balance as at March 31, 2023	0.37%	1,380.28	(0.35%)	(48.70)	(22.63%)	(3.81)	(0.37%)	(52.51)
6 Canary Hotels Private Limited								
Balance as at March 31, 2024	0.76%	3,061.96	(0.20%)	(36.63)	1.30%	(0.47)	(0.20%)	(37.10)
Balance as at March 31, 2023	0.83%	3,099.06	0.16%	21.94	0.58%	0.10	0.16%	22.04
7 Hyacinth Hotels Private Limited								
Balance as at March 31, 2024	1.14%	4,597.38	15.67%	2,847.30	0.81%	(0.29)	15.70%	2,847.01
Balance as at March 31, 2023	0.47%	1,750.37	9.06%	1,272.77	(5.70%)	(0.96)	9.04%	1,271.81
8 Sukhsagar Complexes Private Limited								
Balance as at March 31, 2024	0.32%	1,275.75	0.86%	155.41	0.38%	(0.14)	0.86%	155.27
Balance as at March 31, 2023	0.30%	1,120.48	1.27%	178.81	(4.33%)	(0.73)	1.27%	178.08
9 Oriole Dr Fresh Hotels Private Limited								
Balance as at March 31, 2024	0.44%	1,782.54	(0.71%)	(129.92)	2.53%	(0.91)	(0.72%)	(130.83)
Balance as at March 31, 2023	0.42%	1,549.25	(0.43%)	(60.73)	2.29%	0.39	(0.43%)	(60.34)
10 Carnation Hotels Private Limited								
Balance as at March 31, 2024	0.88%	3,529.04	9.59%	1,742.67	6.84%	(2.46)	9.60%	1,740.21
Balance as at March 31, 2023	0.48%	1,788.83	6.26%	879.08	8.41%	1.42	6.26%	880.50
11 Red Fox Hotel Company Private Limited								
Balance as at March 31, 2024	0.00%	(1.35)	0.00%	(0.42)	0.00%	-	0.00%	(0.42)
Balance as at March 31, 2023	0.00%	(0.93)	0.00%	(0.38)	0.00%	-	0.00%	(0.38)
12 Lemon Tree Hotel Company Private Limited								
Balance as at March 31, 2024	0.00%	(1.16)	0.00%	(0.39)	0.00%	-	0.00%	(0.39)
Balance as at March 31, 2023	0.00%	(0.77)	0.00%	(0.41)	0.00%	-	0.00%	(0.41)
13 IORA Hotels Private Limited								
Balance as at March 31, 2024	9.36%	37,748.74	(3.61%)	(655.15)	(1.53%)	0.55	(3.61%)	(654.60)
Balance as at March 31, 2023	10.29%	38,403.33	(0.89%)	(124.77)	0.00%	-	(0.89%)	(124.77)
14 Ophrys Hotels Private Limited								
Balance as at March 31, 2024	0.00%	(1.83)	0.00%	(0.37)	0.00%	-	0.00%	(0.37)
Balance as at March 31, 2023	0.00%	(1.46)	0.00%	(0.42)	0.00%	-	0.00%	(0.42)

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(₹. in Lakhs)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated profit and loss	₹ in lakhs	As % of consolidated other comprehensive income	₹ in lakhs	As % of total comprehensive income	₹ in lakhs
15 Bandhav Resorts Private Limited								
Balance as at March 31, 2024	0.35%	1,414.40	0.04%	6.94	(0.47%)	0.17	0.04%	7.11
Balance as at March 31, 2023	0.38%	1,407.29	(0.06%)	(8.66)	(4.23%)	(0.71)	(0.07%)	(9.37)
16 Madder Stays Private Limited								
Balance as at March 31, 2024	0.00%	(0.17)	0.00%	(0.18)	0.00%	-	0.00%	(0.18)
Balance as at March 31, 2023	0.00%	-	0.00%	(0.19)	0.00%	-	0.00%	(0.19)
17 Nettle Hotels Private Limited								
Balance as at March 31, 2024	0.00%	(0.22)	0.00%	(0.19)	0.00%	-	0.00%	(0.19)
Balance as at March 31, 2023	0.00%	(0.03)	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
18 Arum Hotels Private Limited								
Balance as at March 31, 2024	0.00%	(0.23)	0.00%	(0.19)	0.00%	-	0.00%	(0.19)
Balance as at March 31, 2023	0.00%	(0.04)	0.00%	(0.24)	0.00%	-	0.00%	(0.24)
19 Bergrruen Hotels Private Limited								
Balance as at March 31, 2024	8.12%	32,751.27	(4.43%)	(805.63)	60.31%	(21.69)	(4.56%)	(827.32)
Balance as at March 31, 2023	8.53%	31,852.43	(2.72%)	(382.78)	25.07%	4.22	(2.69%)	(378.56)
20 Hamstede Living Private Limited								
Balance as at March 31, 2024	0.07%	287.53	0.02%	2.74	0.00%	-	0.02%	2.74
Balance as at March 31, 2023	0.08%	284.79	0.01%	1.47	0.00%	-	0.01%	1.47
21 Totally Foxed Solutions Private Limited								
Balance as at March 31, 2024	0.20%	789.22	(0.01%)	(2.64)	0.00%	-	(0.01%)	(2.64)
Balance as at March 31, 2023	0.21%	791.86	0.00%	(0.50)	0.00%	-	0.00%	(0.50)
Non-controlling interests in all subsidiaries								
Balance as at March 31, 2024	14.37%	57,953.79	18.28%	3,321.67	27.09%	(9.74)	18.26%	3,311.93
Balance as at March 31, 2023	40.58%	55,969.45	36.35%	2,597.64	39.07%	2.73	36.34%	2,600.37
Consolidation Adjustments/Eliminations								
Balance as at March 31, 2024	(8.90%)	(35,889.45)	(26.06%)	(4,735.21)	933.90%	(335.84)	(27.96%)	(5,071.04)
Balance as at March 31, 2023	40.58%	(41,942.23)	36.35%	(3,312.11)	39.07%	(373.07)	36.34%	(3,685.19)
Total								
Balance as at March 31, 2024	**100.00%**	**4,03,304.43**	**100.00%**	**18,170.66**	**100.00%**	**(35.96)**	**100.00%**	**18,134.70**
Balance as at March 31, 2023	**100.00%**	**3,73,231.94**	**100.00%**	**14,054.00**	**100.00%**	**16.83**	**100.00%**	**14,070.83**

35. Gratuity and other post-employment benefit plans

The Group has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the board of trustees, which consists of an equal number of employer and employee representatives. The board of trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The trust fund has taken a scheme of insurance, whereby these contributions are transferred to the insurer. The group makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

(₹. in Lakhs)

Benefit Liability	March 31, 2024	March 31, 2023
Gratuity plan	392.06	309.99
Total	**392.06**	**309.99**

Risk analysis

Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

- **Investment risk**

  The most of the Indian defined benefit plans are funded with Life Insurance Corporation of India. Group does not have any liberty to manage the fund provided to Life Insurance Corporation of India.

  The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Group's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

- **Interest risk**

  A decrease in the interest rate on plan assets will increase the plan liability.

- **Longevity risk/life expectancy**

  The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. Increases in the life expectancy of the plan participants will increase the plan liability.

- **Salary growth risk**

  The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

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(₹. in Lakhs)

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2024:

	Opening Balance	Cost charged to statement of profit or loss			Remeasurement gains/(losses) in other comprehensive income			Contributions by employer	March 31, 2024
	April 1, 2023	Inclusion on account of purchase of new subsidiary	Service cost	Net interest expense/ income	Sub-total included in profit or loss*	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement changes arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions	Experience adjustment	Sub-total included in OCI#		
Defined benefit obligation	611.89	-	58.39	42.94	101.33	(74.94)	-	-	0.57	37.92	38.49	-	**676.77**
Fair value of plan assets	301.90	-	-	21.22	21.22	(36.79)	1.62	-	-	-	1.62	-	**284.71**
Benefit liability	309.99	-	58.39	21.72	80.11	(38.15)	1.62	-	0.57	37.92	40.11	-	**392.06**

*₹ Nil (March 31, 2023: ₹ 1.07 lakhs) capitalised. Refer note 4.

#₹ Nil (March 31, 2023: ₹ 1.98 lakhs) capitalised. Refer note 4.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2023:

	Opening Balance	Cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	March 31, 2023
	April 1, 2022	Inclusion on account of purchase of new subsidiary	Service cost	Net interest expense /income	Sub-total included in profit or loss*	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement changes arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions	Experience adjustment	Sub-total included in OCI#		
Defined benefit obligation	609.94	-	55.97	32.75	88.72	(71.03)	-	-	(18.24)	2.50	(15.74)	-	**611.89**
Fair value of plan assets	295.77	-	-	15.18	15.18	(22.28)	(5.66)	-	-	-	(5.66)	7.57	**301.90**
Benefit liability	314.17	-	55.97	17.57	73.54	(48.73)	(5.66)	-	(18.24)	2.50	(21.40)	(7.57)	**309.99**

*₹ 1.07 lakhs (March 31, 2022: ₹ 1.16 lakhs) capitalised. Refer note 4.

₹ 1.98 lakhs (March 31, 2022: ₹ 1.07 lakhs) capitalised. Refer note 4.

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The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2024	March 31, 2023
Unquoted investments:		
Asset invested in insurance scheme with the LIC	100%	100%
Total	**100%**	**100%**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	March 31, 2024	March 31, 2023
Discount rate:		
Pension plan	7.09%	7.20%
Future salary increases:		
Pension plan	5.00%	5.00%
Life expectation for pensioners:	**Years**	**Years**
Pension plan		
Male	60	60
Female	60	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:

India gratuity plan:

₹ in lakhs

Assumptions	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(11.25)	11.99	12.22	(11.57)

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

₹ in lakhs

Assumptions	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(10.75)	11.45	11.57	(11.06)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in lakhs

Duration (Years)	For the year ended March 31, 2024	For the year ended March 31, 2023
1	402.25	340.32
2	84.16	91.20
3	68.70	66.34
4	54.45	52.18
5	44.70	40.96
Above 5	127.79	122.28
Total expected payments	**782.05**	**713.28**

The average duration of the defined benefit plan obligation at the end of the reporting period is 3.92 years (March 31, 2023: 4.07 years).

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36. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Group has taken office premises and hotel properties and staff hostels/others under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms except for few properties (including hotel property at Indore, Aurangabad, Gurgaon (2 properties), New Delhi Chandigarh, Banjara Hills Hyderabad, Goa and Dehradun). The lease for hotel property at Indore, Aurangabad, Gurgaon (2 properties), New Delhi, Chandigarh, Banjara Hills Hyderabad, Goa and Dehradun are non-cancellable for a period of twenty-nine, twenty-two, thirty, twenty-two, twenty-seven, sixty, thirty, twenty-five and twenty-nine years respectively. Refer Note No.7 for carrying value of right to use asset recognised and Refer Note No. 20 for carrying value of lease liability and the movement during the year.

The weighted average of incremental borrowing rate applied to lease liabilities, is 9.39%. (March 31, 2023 - 9.39%).

During the year, the Group has reassessed its decision to exercise right to renewer for a certain property based on business performance of the property. Accordingly lease liability has been remeasured using the revised discount rate i.e. 9.10% and adjustment in done in value of ROU and lease liability.

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Estimated amount of contracts remaining to be executed and not provided for March 31, 2024 ₹ 3,246.66 lakhs (March 31,2023 ₹ 16,128.87 lakhs).

c. Contingent liabilities

(i) Legal claim contingency

₹ in lakhs

	As at March 31, 2024	As at March 31, 2023
Counter Guarantees given in respect of guarantees issued by Company's bankers	1,646.98	1,647.80
Service tax*	201.23	295.10
Luxury tax	15.04	42.45
Value added tax	5.21	-
Income tax**	27.25	27.25
Matters pending with consumer court	4.50	4.50
Total	**1,900.21**	**2,017.10**

*amount paid under protest– Nil (March 31 2023, 23.10 lakhs)

**(amount paid under protest/adjusted against refund – ₹ 10.72 lakhs)

The Group's pending litigations above pertains to proceedings pending with Income Tax, Excise, Sales/ VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(ii) Hyacinth Hotels Private Limited, one of the subsidiary Company, has received a demand from South Delhi Municipal Corporation ('the Authority') wherein the Authority has called upon the subsidiary company to pay an amount of ₹ 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. The Subsidiary Company filed a writ petition in the high court against the said order. Pending adjudication, the High Court had given interim stay directing the subsidiary company to deposit ₹ 25 lakhs. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand (including the demand for any subsequent year) is improbable to crystallize.

(iii) Malviya National Institute of Technology, Jaipur ("MNIT") filed an application before the Sub-divisional Officer ("SDO"), Jaipur against, among others, Sukhsagar Complexes Private Limited (one of the subsidiary), alleging that a portion of the land on which Red Fox Hotel, Jaipur has been constructed is owned by MNIT. Pursuant to an order dated December 31, 1999, the SDO, Jaipur, recorded certain land bearing khasra number 102/433 in the name of Gulab Chand and certain others, while removing the name of Malviya Regional Engineering College, the predecessor entity to MNIT. Against the order of the SDO, MNIT filed an appeal (appeal no. 327/2013) before the Divisional Commissioner, Jaipur ("Commissioner"), against Gulab Chand, Girdharilal Maninar and Gopal DasJohar, being the previous owners of the property sold to Sukhsagar, and also, among others, Sukhsagar, stating that Sukhsagar and Devashish Builders Private Limited had encroached on the land belonging to MNIT. The appeal was dismissed by the Commissioner pursuant to an order dated January 8, 2013 and the order passed by the SDO, dated December 31, 1999, was confirmed. Subsequently, Sukhsagar filed a review petition before the Commissioner challenging the order dated January 8, 2013 on grounds of certain procedural irregularities. The Commissioner, through an order dated September 4, 2013, recalled its previous order dated January 8, 2013. The Commissioner eventually dismissed the appeal filed by MNIT through an order dated September 11, 2013. MNIT filed a writ petition before the High Court of Rajasthan challenging the order of the Commissioner, dated September 11, 2013. The proceedings have taken up for further proceedings, and is likely to be listed in due course. The proceedings are in progress & the management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.

(iv) Oriole Dr.Fresh Hotels Private Limited (a subsidiary company) filed an arbitration petition (arbitration petition No. 160/2012), against the Delhi Developmental Authority (the "DDA") seeking quashing of invocation of a bank guarantee amounting to ₹ 102.80 lakhs by DDA, recovery of ₹ 25 lakhs as compensation alleging harassment and mental agony, recovery of ₹ 10 lakhs towards cost of proceedings, and interest at the rate of 18% on blocked amount from December 28, 2010 till the date of return of pay order. This dispute pertains to an agreement for construction of a hotel by the subsidiary in Kondli, Delhi, entered into with DDA, as a successful bidder in an auction process conducted for this purpose. As per such agreement the subsidiary was required to provide a bank guarantee of ₹ 102.80lakhs as performance security. The DDA allegedly sought to encash the bank guarantee on December 21, 2011 on grounds of non-performance of contractual obligations by the subsidiary. Consequently, on March 12, 2012 Oriole sent a notice of commencement of arbitration to DDA and on May 31, 2012, the subsidiary obtained an injunction (OMP No. 1/2012) from the High Court of Delhi restraining DDA and Axis Bank Limited from proceeding with the encashment of the bank guarantee until the completion of the arbitration proceedings. An arbitral tribunal was constituted on September 28, 2012 and an arbitration award has been passed on December 06, 2022 against which an objection petition has been filed by the DDA before the High Court of Delhi.The proceedings are in progress and the management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand is improbable to crystallize.

(v) Note on Provident Fund:

Based upon the legal opinion obtained by the management, Group is not required to create provisions in books of accounts in view of the judgement of the Hon'ble Supreme court in the case of Vivekananda Vidyamandir vs Regional Provident Fund Commissioner (II), West Bengal and subsequent dismissal of review petition by Hon'ble Supreme court in the case of review petition No. 001972-001973/2019 in civil appeal 3965-3966 in the matter of Surya Roshni Ltd Vs Employees Provident Fund and Another.

Considering the equitable cause, the High Courts may give prospective effect to the judgement which can be done in exercise of inherent powers of High Court under Article 226 of the constitution of India.

In case of the Group, retrospective effect is remote and at present uniformity is maintained across all brands/grades.

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(vi) Berggruen Hotels Private Limited (a subsidiary company) has entered into a lease agreement in April, 2008 with the land owners of the Baroda property to construct a hotel in the said property pursuant to which sum of ₹ 100 Lakhs has been paid to the property owners as refundable security deposit. As per the Lease agreement, on execution of the said Lease Deed, owners were obliged to deliver to the Subsidiary Company, vacant and peaceful possession of the said property and to demolish existing structure standing thereon in order to enable the Subsidiary company to construct the proposed hotel on the said property. More than five years have elapsed since execution of the said LeaseDeed and despite various assurances and promises, the owners have failed to hand over possession of the said property and hence the Subsidiary Company terminated the lease agreement and asked immediately to refund the refundable security deposit along with interest at the rate of 25% per annum. Subsequent to termination of the lease agreement, the Subsidiary Company has also filed the case against owners for recovery of monies paid along with the interest. The Subsidiary Company expects the judgment in its favour.

37. Employee Stock Option Plans:

a) Stock options granted on and after April 1, 2006.

The share-based payment scheme provided to the employees is as follows:

Date of grant	September 1, 2006, April 1,2007, October 1, 2007, April 1, 2008, January 12, 2009, April 1, 2009, April 1, 2010, October 1, 2010, April 1, 2011, April 1, 2012, April 1, 2015, January 1, 2018
Date of Board Approval of plan	July 18, 2006
Date of Shareholder's approval of plan	August 25, 2006
Number of options granted	13,249,207
Method of Settlement	Equity
Vesting Period	12-48 months & 15-39 months
Exercise Period	5 years from the date of vesting
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period.

Details of vesting:

Vesting period from the grant date	**Vesting Schedule***
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	30%
On completion of 48 months	40%

* All ESOP's under ESOP Plan 2006 are granted as per general vesting schedule defined in the scheme except for ESOP's granted on January 12,2009, 328,008 ESOP's granted on April 1, 2012 and 487,000 ESOP's granted on January 1, 2018 for which specific vesting schedule was decided.

Parent Company has issued/ forfeited Nil shares (March 31, 2023: Nil) during the year on exercise of options granted under the employee stock option plan (ESOP).

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38. Related Party Transactions

Names of related parties		
Key Managerial Personnel ("KMP")	-	Mr. Patanjali Govind Keswani (Chairman and Managing Director)
	-	Mr. Willem Albertus Hazeleger (Director)
	-	Mr. Aditya Madhav Keswani (Director)
	-	Mr. Pradeep Mathur (Independent Director) (ceased to be Independent Director w.e.f. December 4, 2022)
	-	Mr. Paramartha Saikia (Independent Director)
	-	Mrs. Freyan Jamshed Desai (Independent Director)
	-	Mr. Ashish Kumar Guha (Independent Director) (ceased to be Independent Director w.e.f. September 14, 2022)
	-	Dr. Arindam Kumar Bhattacharya (Independent Director)
	-	Mr. Arvind Singhania (Independent Director) (ceased to be an Independent Director w.e.f. September 14, 2022)
	-	Mr. Niten Malhan (Independent Director)
	-	Ms Smita Anand (Independent Director)(w.e.f November 09, 2023)
	-	Mr Praveen Garg Independent Director)(w.e.f November 09, 2023)
	-	Mr Sanjay Sahai Independent Director)(w.e.f November 09, 2023)
Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)("KMP of Subsidiaries")	-	Mr. Rajesh Kumar (Whole Time Director of Canary Hotels Private Limited)
	-	Mr. Sumant Jaidka (Whole Time Director of Inovoa Hotels & Resorts Limited)
	-	Mr. Rajeev Janveja (Whole Time Director of Sukhsagar Complexes Private Limited)
	-	Ms. Natasha Yashpal (Whole Time Director of Iora Hotels Private Limited) (ceased w.e.f November 15, 2022)
	-	Mr. Sameer Singh (Whole Time Director of Iora Hotels Private Limited) (w.e.f 1st December, 2022 upto January 10, 2024)
	-	Mr Gaurav Goyal (Whole Time Director of Iora Hotels Private Limited) (w.e.f. January 10, 2024)
	-	Ms. Anshu Sarin (Whole Time Director & CEO of Berggruen Hotels Private Limited) (ceased w.e.f. May 15, 2023)
	-	Mr. Praveen Kumar Agrawal (Whole Time Director of Berggruen Hotels Private Limited) (w.e.f. December 8, 2023)
	-	Mr. Devinder Kumar (Whole Time Director of Hamstede Living Private Limited)
Enterprises owned or significantly influenced by key management personnel or their relatives	-	Toucan Real Estates Private Limited
Associates	-	Mind Leaders Learning India Private Limited
	-	Pelican Facilites Management Private Limited

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer	:	Mr. Kapil Sharma
Company Secretary	:	Mr. Nikhil Sethi (Ceased w.e.f. October 31, 2023)
	:	Ms Jyoti Verma (w.e.f. November 21, 2023)

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The following table provides the total amount of transactions that have been entered into with related parties for the relevant year

(₹ in lakhs)

Transactions with Related Party	KMP		KMP of Subsidiaries		Enterprises owned or significantly influenced by key management personnel or their relatives		Associate	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Remuneration paid*								
Mr. Patanjali Govind Keswani	429.25	349.93	-	-	-	-	-	-
Mr. Sumant Jaidka	-	-	79.48	68.92	-	-	-	-
Mr. Rajesh Kumar	-	-	70.50	60.04	-	-	-	-
Mr. Kapil Sharma	134.01	95.33	-	-	-	-	-	-
Mr. Nikhil Sethi	30.64	45.89	-	-	-	-	-	-
Ms. Jyoti Verma	13.95	-	-	-	-	-	-	-
Mr. Gaurav Goyal	-	-	8.77	-	-	-	-	-
Ms. Natasha Yashpal	-	-	-	32.08	-	-	-	-
Mr. Sameer Singh	-	-	65.28	18.29	-	-	-	-
Ms. Anshu Sarin	-	-	50.45	134.63	-	-	-	-
Reimbursement of Capital Expenditure								
Toucan Real Estate Private Limited	-	-	-	-	24.15	34.30	-	-
Sitting Fee paid								
Mr. Arvind Singhania	-	0.25	-	-	-	-	-	-
Mr. Ashish Kumar Guha	-	0.70	8.00	1.05	-	-	-	-
Mrs. Freyan Jamshed Desai	8.45	1.85	0.75	-	-	-	-	-
Mr Paramartha Saikia	4.90	1.90	4.50	1.20	-	-	-	-
Mr. Pradeep Mathur	-	0.90	6.50	1.05	-	-	-	-
Mr. Niten Malhan	8.55	1.50	6.50	0.70	-	-	-	-
Dr. Arindam Kumar Bhattacharya	8.55	1.25	6.00	-	-	-	-	-
Mr. Praveen Garg	0.75	-	-	-	-	-	-	-
Mr. Sanjiv Nandan Sahai	0.75	-	-	-	-	-	-	-
Ms. Smita Anand	0.75	-	-	-	-	-	-	-
Mr. Willem Albertus Hazeleger	0.85	-	-	-	-	-	-	-
Training Fee Paid (Gross)								
Mind Leaders Learning India Private Limited	-	-	-	-	-	-	101.95	18.84
Rent Received								
Mind Leaders Learning India Private Limited	-	-	-	-	-	-	13.11	12.01
Pelican Facilities Management Private Limited	-	-	-	-	-	-	11.14	6.07
Balances outstanding at the year end - Trade Payable/ Other Current Liabilities								
Mr. Kapil Sharma	0.56	0.03	-	-	-	-	-	-
Mr. Sumant Jaidka	-	-	5.85	6.16	-	-	-	-
Mr. Rajesh Kumar	-	-	2.18	1.63	-	-	-	-
Mr. Nikhil Sethi	-	0.82	-	-	-	-	-	-
Ms. Anshu Sarin	-	-	-	3.90	-	-	-	-
Ms. Jyoti Verma	1.70	-	-	-	-	-	-	-
Mind Leaders Learning India Private Limited	-	-	-	-	-	-	19.30	0.16
Balances outstanding at the year end - Loans & Advances								
Toucan Real Estate Private Limited	-	-	-	-	287.23	287.23	-	-
Pelican Facilities Management Private Limited	-	-	-	-	-	-	-	3.23
Mind Leaders Learning India Private Limited	-	-	-	-	-	-	-	27.35

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances with related parties at the year-end are unsecure and settlement occurs in cash. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Group has not entered into any commitments with related parties during the year.

39. Fair value measurement

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument.

a. Financial Assets

₹ in lakhs

	March 31, 2024		March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	7,147.67	-	5,597.77
Investments	809.72	-	100.30	-
Security Deposits	-	7,677.96	-	7,030.30
Other bank balances (including fixed deposit under lien)	-	3,084.15	-	1,362.11
Cash and Cash Equivalents	-	3,364.44	-	2,368.19
Interest accrued on deposit with banks	-	376.25	-	456.90
Loans	-	18.52	-	30.00
Total Financial Assets	**809.72**	**21,668.99**	**100.30**	**16,845.27**

Note: The financial assets above do not include investments in subsidiaries and associates which are measured at cost in accordance with Ind AS 27.

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b. Financial Liabilities

₹ in lakhs

	March 31, 2024		March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings	-	188,911.67	-	174,572.90
Trade Payables	-	8,588.44	-	6,679.71
Other Financial Liabilities	-	1,482.95	-	3,258.34
Lease Liabilities(Non-current)	-	44,234.43	-	42,526.92
Lease Liabilities(Current)	-	438.38	-	583.52
Total Financial Liabilities	**-**	**243,655.87**	-	227,621.39

c. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Financial assets and liabilities measured at fair value

₹ in lakhs

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Quoted mutual funds	809.12	-	-	809.12
Unquoted equity instruments	-	-	0.60	0.60

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Quoted mutual funds	99.70	-	-	99.70
Unquoted equity instruments	**-**	**-**	**0.60**	**0.60**

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The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the investment in mutual funds have been estimated based on NAV of the assets at each reporting date

40. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group is carrying its borrowings primarily at variable rate. The Group expects the variable rate to decline, accordingly the Group is currently carrying its loans at variable interest rates.

₹ In lakhs

	March 31, 2024	March 31, 2023
Variable rate borrowings	1,88,228.30	1,74,145.73
Fixed rate borrowings	683.39	427.18

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Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ In lakhs

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31,2024		
Floating rate borrowings	50	(937.97)
Floating rate borrowings	-50	937.97
March 31, 2023		
Floating rate borrowings	50	(774.18)
Floating rate borrowings	-50	774.18

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has no exposure in foreign currency.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Group does not hold collateral as security.

Reconciliation of provision for doubtful debts – Trade receivables (including provision for expected credit loss)

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Provision as at beginning	**1,694.94**	**1686.92**
Addition during the year	130.92	8.02
Reversal during the year	-	-
Utilized during the year	-	-
Provision as at closing	**1,825.86**	**1,694.94**

(b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31 2024 and March 31 2023 is the carrying amount as illustrated in Note 14(i).

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Liquidity risk

The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. As at March 31, 2024, the group had no sanctioned (March 31, 2023: ₹ Nil) undrawn committed borrowing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ in lakhs

Year ended March 31, 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than lease liability)*	254.61	5,240.15	15,745.65	74,659.87	94,358.34	1,90,258.62
Trade and other payables	8,588.44	-	-	-	-	8,588.44
Other Financial Liabilities	1,482.95	-	-	-	-	1,482.95
	10,326.00	**5,240.15**	**15,745.65**	**74,659.87**	**94,358.34**	**200,330.01**

₹ in lakhs

Year ended March 31, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than lease liability)*	5,751.57	2,214.93	14,656.21	78,354.33	74,628.66	1,75,605.70
Trade and other payables	6,679.71	-	-	-	-	6,679.71
Other Financial Liabilities	3,258.34	-	-	-	-	3,258.34
	15,689.62	**2,214.93**	**14656.21**	**78,354.33**	**74,628.66**	**1,85,543.75**

* represents un-discounted cashflows

Future minimum rentals payable under non-cancellable operating leases as at year end are, as follows:

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Minimum Lease Payments:		
Not later than one year	4,301.29	4,120.81
Later than one year but not later than five years	19,082.62	18,159.24
Later than five years	95,910.38	89,692.82
Total	**1,19,294.29**	**1,11,972.87**

41. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

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Notes to Consolidated Financial Statements

for the year ended March 31, 2024

₹ In lakhs

	March 31, 2024	March 31, 2023
Borrowings (Note 19 and 22) (Net of Processing Fee)	188,911.67	174,572.90
Trade payables (Note 22)	8,588.44	6,679.90
Less: cash and cash equivalents (Note 13)	3,364.44	2,368.19
Net debt	**194,135.67**	**178,884.42**
Total capital	154,642.82	141,342.22
Capital and net debt	**348,778.59**	**320,226.64**
Gearing ratio	56%	56%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

42. Segment Reporting

The Group is into Hoteliering business. The Board of Directors of the Parent Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 – "Operating Segments".

Information about geographical areas

The Company has only domestic operations and hence no information required for the Group as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

No customer individually accounted for more than 10% of the revenue.

43. (a) During the earlier years, one of the subsidiary had entered into an Infrastructure development and services agreement with Delhi International Airport Limited (DIAL) to develop two hotels at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the Subsidiary for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL may take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further.

(b) During the earlier years, one of the subsidiary had entered into a sub-lease agreement with Mumbai International Airport Limited ('MIAL') to develop the hotel at Chhatrapati Shivaji International Airport at Mumbai for an initial term upto May 02, 2036, extendable at the option of the Company for an additional period of 30 years provided MIAL gets the extension from Airport Authority of India. Airport Authority of India may take over the building at 'Net Present Value', as defined in the aforesaid agreement in case the agreement is not extended further.

44. Changes in Ownership interest in Subsidiaries/Associates

(a) During the year ended March 31, 2024, the parent company has purchased compulsory convertible preference shares of Fleur Hotels Private Limited leading to increase in equity stake by 0.99% in Fleur Hotels Private Limited and accordingly remeasured its previously held equity interest on the acquisition date fair value and recognised the resulting gain of ₹ 3,557.77 lakhs in capital reserve in Other Equity. Further during the previous year ended March 31, 2023, the parent company had purchased compulsory convertible preference shares of Fleur Hotels Private Limited leading to

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

increase in equity stake by 2.25% in Fleur Hotels Private Limited and accordingly remeasured its previously held equity interest on the acquisition date fair value and recognised the resulting gain of ₹ 7,751.68 lakhs in capital reserve in Other Equity.

(b) During the previous year ended March 31, 2023, the parent company had purchased additional 25.10% additional stake in Carnation Hotels Private Limited and accordingly remeasure its previously held equity interest on the acquisition date fair value and recognized the resulting gain of ₹ 1,641.56 lakhs in capital reserve in Other Equity.

45. The carrying amount of goodwill has been allocated to CGUs as follows:

₹ in lakhs

Particulars	Amount
Berggruen Hotels Private Limited (subsidiary of Fleur Hotels Private Limited) (7 units)	8,832.41
Bandhav Resorts Private Limited (1 unit)	673.42
Others	2.60
Total	**9,508.43**

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the Berggruen Hotels Private Limited and Bandhav Resorts Private Limited as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors beyond five year period and a pre-tax WACC rate of 11.70% /11.75% (March 31, 2023: 12.50%) and terminal growth rate of 5.00% (March 31, 2023: 5.50%).

The key assumptions used by management in setting the financial budgets were as follows:

(i) Forecast sales growth rates: Forecast sales growth rates are based on past experience adjusted for historic measures and market trends analyzed through independent valuer.

(ii) Operating profits: Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of changes to product costs and cost saving initiatives.

Sensitivity analysis:

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. The Management believe that any reasonably possible change in the key assumptions on which the recoverable amount of Berggruen Hotels Private Limited and Bandhav Resorts Private Limited is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

46. Amendements/Standards notified but not yet effective

a) The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

b) **Note on Social Security:** The Code on Wages, 2019 and Code on social security, 2020 ("the codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the codes when the rules are notified and will record any related impact in the period in which the Codes become effective.

There are no new amendements/standards (other than above) that are notified, but not yet effective up to the date of issuance of the Company's financial statements.

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for the year ended March 31, 2024

47. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

₹ In lakhs

	March31, 2024	March31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,747.01	1,417.41
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

48. The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

49. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

50. During the earlier year Fleur Hotels Private Limited had made provision of estimated stamp duty expense of ₹ 1525.03 Lakhs on amalgamation of Meringue Hotels Private Limited, Begonia Hotels Private Limited and Nightingale Hotels Private Limited. This provision of stamp duty expense is a one- time expense of non-recurring nature.

51. a) During the year Fleur Hotels Private Limited has received Entitlement certificate for subsidy under Tourism Policy (TP) 2016 dated December 1 2023, based on which the company shall be eligible for 100% of the SGST paid on Lemon Tree Premier, Mumbai for a period of 7 years from the date of the entitlement certificate i.e. December 1, 2023.

b) During the previous year Fleur Hotels Private Limited has received Entitlement certificate for subsidy under Rajasthan Investment Promotion Scheme (RIPS) 2014 dated December 6 2022, based on which the company shall be eligible for 50% of the SGST paid on Aurika Hotels, Udaipur for a period of 7 years from the date of the commencement of operation i.e. 29th October 2019. However the flow of benefit will accrue from date of the entitlement certificate.

The Fleur Hotels Private Limited has complied with all the significant terms and conditions affixed to these grants.

52. The Hon'ble National Company Law Tribunal , New Delhi has approved the Scheme of Amalgamation ("Scheme") of wholly owned subsidiaries of the Parent Company viz. Valerian Management Services Private Limited (Transferor Company 1) , Grey Fox Project Management Private Limited (Transferor Company 2), PSK Resorts & Hotels Private Limited (Transferor Company 3) and Dandelion Hotels Private Limited (Transferor Company 4) with the Lemon Tree Hotels Limited (Transferee Company or 'Parent') vide its order dated December 14, 2023 which became effective on January 19, 2024 upon filling of the same to Registrar of Company w.e.f appointed date April 1, 2022. Consequently, the Parent Company has given accounting effect of the scheme during the year ended March 31, 2024. The accounting effect of the scheme does not have any impact on consolidated profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

53. As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Parent and 20 subsidiaries of the group uses SAP S/4 HANA as its accounting software operated for recording all the accounting transactions for the year ended March 31, 2024. SAP S/4 HANA has a feature of recording audit trail (edit log) facility which has not been enabled throughout the year. Further 3 associates of the group uses tally ERP 9 which does not has feature of recording audit trail.

In respect of maintaining revenue records, Parent and 11 subsidiaries of the group has used revenue management software. The said software has a feature of recording audit trail (edit log) facility from July 1, 2023, except the software does not have feature of audit trail at database level.

The Management has adequate internal controls over financial reporting which were operating effectively for the year ended March 31, 2024. The Management is in the process of evaluating the options to ensure compliance with the requirements of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 referred above in respect of audit trail (edit log).

54. Other Statutory Information

(i) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(ii) The Group do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property

(iii) The Group do not have any transaction with companies struck off.

(iv) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group have not received any funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

55. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification.

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-	Sd/-	Sd/-
Patanjali Govind Keswani	**Kapil Sharma**	**Jyoti Verma**
(Chairman & Managing Director)	(Chief Financial Officer)	(Group Company Secretary)
DIN-00002974		Mem. no. - F7210

Place: Mumbai
Date: May 29, 2024

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INDEPENDENT AUDITOR'S REPORT

To The Members of Lemon Tree Hotels Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Lemon Tree Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the Trust referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Investment in subsidiaries having hotel properties** **(Refer Note 29b to the Standalone Financial Statements)** At each reporting period, the Company assesses the carrying amounts of investment in subsidiaries (having hotel properties) to determine whether there is any indication that those investments have suffered an impairment loss. If any indication exists, the Company estimates the investment's recoverable amount. Where the carrying amount of CGU exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. The Company holds investment in subsidiaries operating hotels and are located in India amounting to INR 95,035.35 lakhs as at March 31, 2024. The Company has undertaken an assessment of indicators of impairment in respect of the investment in subsidiaries as mentioned in Note 8 of the standalone financial statements considering the qualitative factors such as economic situation in recent past and past performance of hospitality industry.	**Principal audit procedures performed:** i. Obtained an understanding and assessed the Company's impairment process. ii. Tested the design and implementation of internal control established to the estimates and judgments for the carrying values of investment in subsidiaries. iii. Assessed the reasonableness of the assumptions used to determine the fair value of investment in subsidiaries, including discount rate and long term growth rate; iv. Assessed the reliability of cash flow forecasts through a review of actual past performance; v. Challenged the assumptions used in the cash flow forecasts, which includes occupancy rate, average room rate. vi. We have tested the arithmetical accuracy of the impairment model. vii. We have assessed the net worth of the subsidiaries on the basis of latest available financial statements. viii. We have verified the computation of the Company's share in that respective company's enterprise value (EV) and compared the book value of investments as at the balance sheet date with the amount calculated. ix. We have assessed the disclosures made by the Company in relation to this matter.
	To assess the recoverability of the investment in subsidiaries, management is required to make significant estimates and assumptions related to forecast of future revenue, operating margins, growth rate and selection of the discount rates. The Company used the discounted cash flow approach to determine the recoverable value of the investments. We have identified the estimation of the recoverable amount of the investments as a key audit matter because these assumptions are of particular importance due to the level of uncertainties and judgment involved, thus changes in these assumptions could have a significant impact on the recoverable value of the investments.	

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its Trust to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity or business activities included in the standalone financial statements of which we are the independent auditors. For the other entity or business activities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of Krizm Hotels Private Limited Employee Welfare trust (`the trust') included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹119.84 Lakhs as at March 31, 2024 and total revenue of ₹ Nil Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements have been audited by the other auditors whose report have been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of such Trust, is based solely on the report of such other auditor.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the Trust, referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 31(c) to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 45 to the standalone financial statements

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 46 to the standalone financial statements

      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 47(viii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 47(ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding,

CIN: L74899DL1992PLC049022

whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 wherein:

(a) an accounting software did not have audit trail feature enabled throughout the year,

(b) in respect of a revenue management software used for maintaining its revenue records, has a feature of recording audit trail (edit log) facility at the application level and the same has operated from July 1, 2023 for all relevant transactions recorded; however the software does not have feature of audit trail at database level to log direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating. (Refer note 43 of the standalone financial statements). As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sd/-
Rajesh Kumar Agarwal
Partner
Membership No. 105546
UDIN: 24105546BKEPDK9403

Place: Gurugram
Date: May 29, 2024

Annexure "A" To The Independent Auditor's Report of Lemon Tree Hotels Limited

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Lemon Tree Hotels Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

CIN: L74899DL1992PLC049022

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sd/-
Rajesh Kumar Agarwal
Partner
Membership No. 105546
UDIN: 24105546BKEPDK9403

Place: Gurugram
Date: May 29, 2024

Annexure "B" To the Independent Auditor's Report of Lemon Tree Hotels Limited

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, investment properties and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and investment properties so to cover all the items once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program certain Property, Plant and Equipment, capital work-in-progress and investment properties were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, we report that:

i. Based on the examination of the confirmation received by us from HDFC Bank Limited and Axis Trustee Services Limited (custodian) on behalf of Aditya Birla Finance Limited in respect of immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work in progress and investment property whose title deeds have been pledged as security for loans and guarantees are held in the name of the Company as at the balance sheet date except for the following:

Description of Property	Gross carrying value (₹. in lakhs)	Held in name of	Whether Promoter, director or their relative or employee	Period held-	Reason for not being held in name of company
Freehold land of Lemon tree hotel located at Chennai admeasuring 10,696 sqft	1,601.67	P.A Holdings Private Limited	N/A	November 20, 2006	PA Holdings Private Limited was amalgamated with Winsome Entertainment and Tourism Private Limited which inturn was subsequently amalgamated with The Krizm Hotels Private Limited under Section 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s). Subsequently, the name of Krizm Hotels Private Limited was changed to Lemon Tree Hotels Limited.

ii. Based on the examination of the registered conveyance deed of remaining immovable properties provided to us, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date included in property, plant and equipment, capital work in progress and investment property.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the

coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising operating performance (MIS), cash flow mismatch statement and unaudited quarterly financials filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has not provided any security and advances in nature of loans to any other entity during the year. The Company has made investment in, stood guarantees and granted unsecured loans to subsidiaries during the year, in respect of which:

(a) The Company has provided loans and stood guarantees during the year and details of which are given below:

Particulars	Guarantees (₹. in lakhs)	Loans (₹ in lakhs)
A. Aggregate amount granted / provided during the year:		
- subsidiaries	46,000.00	3,795.36
- Others	-	-
B. Balance outstanding as at balance sheet date:		
- subsidiaries	141,909.00	3,296.23
- Others	-	18.52

(b) According to the information and explanations given to us, the Company has, during the year, made investments in, provided guarantees and granted interest free unsecured loans (refer reporting under clause (iii) (a) above and clause (iii)(f) below) to subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013, which, as explained to us, have been made for meeting working capital requirements and/or setting up new projects. In respect of these guarantees provided and loans granted, the terms and conditions are, in our opinion, not prejudicial to the Company's interest after considering the purpose for which guarantees are provided and loans have been granted.

(c) The Company has granted loans to wholly owned subsidiaries amounting to ₹3,296.23 lakhs which are repayable on demand. During the year the Company has not demanded such loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below)

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted loans which are repayable on demand amounting to ₹3,296.23 lakhs to its wholly owned subsidiaries. These loans constitutes 100% of total loans given by the Company.

(iv) The Company has complied with the provisions of sections 186 of the Companies Act, 2013 in respect of making investments. The Company has complied with the provisions of Section 185 in respect of guarantees provided. The Company has not granted any loans or security under section 185 of Companies Act 2013. As per section 186 (11) read with schedule VI, provision for section 186 with respect to grant of loans and providing guarantees would not apply to the Company as the Company is providing infrastructural facilities.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Service tax, Employees' State Insurance, Income-tax, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. We are informed that the duty of Custom, Sales tax, Service tax and duty of Excise is not applicable to the company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount Involved (₹ In lakhs)	Period (FY) to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994	Service Tax	70.05	2007-08 to 2008-09	Central Excise and Service Tax Appellate Tribunal
Service Tax Rule, 1994	Service Tax	137.02	2012-13 to 2017-18	Central Excise and Service Tax Appellate Tribunal

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause(ix)(c) of the order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On overall examination of financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. According to the information and explanations given to us by the management, the Company has utilised funds from internal accruals for investing and granting loans to its wholly owned subsidiaries. (refer reporting under clause (iii) above)

(f) The Company has not raised any loans during the year and hence reporting on clause(ix)(f) of the Order is not applicable .

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(Xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, and according to the explanation given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year.

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(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

As informed by the management of the Company, the Group has one CIC as part of the group.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sd/-
Rajesh Kumar Agarwal
Partner
Membership No. 105546
UDIN: 24105546BKEPDK9403

Place: Gurugram
Date: May 29, 2024

Standalone Balance Sheet

as at March 31, 2024

Particulars	Note No.	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	38,224.37	38,785.20
(b) Capital work-in-progress	4	2,484.24	2,135.05
(c) Investment property	5	219.37	223.76
(d) Intangible assets	6	117.39	177.08
(e) Right of use asset	7	13,702.72	14,516.37
(f) Financial assets	8		
(i) Investments		98,264.75	93,015.27
(ii) Loans		18.52	30.00
(iii) Other non- current financial assets		2,285.45	2,086.96
(g) Deferred tax assets (net)	9.1	2,248.41	3,775.67
(h) Non-Current tax assets (net)	9.2	532.68	629.29
(i) Other non-current assets	10	172.54	159.90
		1,58,270.44	**1,55,534.55**
Current assets			
(a) Inventories	11	262.54	255.94
(b) Financial assets			
(i) Trade receivables	12	1,989.05	6,472.27
(ii) Cash and cash equivalents	12	317.25	796.39
(iii) Bank balances other than (ii) above	12	210.00	-
(iv) Loans	12	3,296.23	1,003.79
(v) Other current financial assets	12	101.90	8.26
(c) Other current assets	13	2,258.78	1,269.02
		8,435.75	**9,805.67**
Total Assets		**1,66,706.19**	**1,65,340.22**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	79,184.55	79,160.71
(b) Other equity	15	36,475.36	26,763.30
Total Equity		**1,15,659.91**	**1,05,924.01**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	22,644.65	29,778.17
(ii) Lease liability	16 (a)	16,704.64	16,766.03
(b) Provisions	17	201.73	146.86
		39,551.02	**46,691.06**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	7,474.78	7,448.68
(ii) Lease liability	16 (a)	297.69	294.35
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		349.53	406.28
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,127.07	2,742.78
(iv) Other current financial liabilities	18	81.96	111.80
(b) Provisions	17	212.85	200.66
(c) Other current liabilities	19	951.38	1,520.60
		11,495.26	**12,725.15**
Total Liabilities		**51,046.28**	**59,416.21**
Total Equity and Liabilities		**1,66,706.19**	**1,65,340.22**
The accompanying notes are an integral part of the financial statements.	1 to 48		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Place: Mumbai
Date: May 29, 2024

CIN: L74899DL1992PLC049022

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

Particulars	Note No.	Year ended March 31, 2024 ₹ in lakhs	Year ended March 31, 2023 ₹ in lakhs
Revenue from operations	20	35,737.50	31,050.38
Other income	21	1,141.10	63.79
Total Income		**36,878.60**	**31,114.17**
Expenses			
Cost of food and beverages consumed	22	1,311.57	1,229.53
Employee benefits expense	23	6,627.52	5,363.03
Power and fuel	24(a)	2,058.15	1,974.01
Other expenses	24(b)	6,709.96	5,248.66
Total expenses		**16,707.20**	**13,815.23**
Profit before finance cost, finance income, depreciation and amortization and tax (EBITDA) (refer note 2.2 (s))		**20,171.40**	**17,298.94**
Finance costs	25	4,871.12	4,496.00
Finance income	26	(381.72)	(364.62)
Depreciation and amortization expense	27	2,104.82	1,999.05
Profit before tax		**13,577.18**	**11,168.51**
Tax expense:			
- Current tax (under MAT)		2,356.48	1,992.24
- Deferred tax (including of MAT credit)	9.1	1,527.26	1,303.09
		3,883.73	3,295.33
Profit for the year		**9,693.45**	**7,873.18**
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement losses on defined benefit plans		(12.43)	19.20
Income tax effect on above		3.62	(5.49)
		(8.81)	**13.71**
Total comprehensive income for the year		**9,684.64**	**7,886.89**
Earnings per equity share			
(Face Value of ₹ 10/- each)			
(1) Basic	28	1.22	1.00
(2) Diluted	28	1.22	1.00
The accompanying notes are an integral part of the financial statements.	1 to 48		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Place: Mumbai
Date: May 29, 2024

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Standalone Statement of Cash flow

for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
A. Cash flow from operating activities		
Profit before tax	**13,577.18**	**11,168.51**
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	2,104.82	1,999.05
Finance income (including fair value change in financial instruments)	(381.72)	(364.62)
Finance costs	4,708.06	4,340.68
Provision for gratuity	42.52	36.79
Provision for leave encashment	8.61	3.30
Provision for loyalty programme	3.26	10.67
Provision for litigation	9.12	9.01
Provision for doubtful advances	11.05	-
Net loss/(gain) on sale of property, plant and equipment	3.33	(6.20)
Net gain on sale of investments	-	(2.44)
Operating profit before working capital changes:	**20,086.23**	**17,194.75**
Movements in working capital:		
(Increase)/Decrease in trade receivables	4,472.17	(2,652.95)
(Increase)/Decrease in loans and advances and other current assets	(1,175.00)	183.09
(Increase)/ Decrease in inventories	(6.60)	(48.16)
Increase/(Decrease) in liabilities and provisions	(1,251.84)	1,003.25
Cash Generated from Operations	**22,124.96**	**15,679.98**
Direct taxes paid (net of refunds)	(2,256.24)	(1,443.23)
Net cash flows generated from operating activities (A)	**19,868.72**	**14,236.75**
B. Cash flows used in investing activities		
Purchase of Property, plant and equipment (adjustment of CWIP, capital advances and capital creditors)	(1,009.41)	(819.30)
Proceeds from sale of property plant and equipment	3.18	12.95
Purchase of investment in subsidiary company	(5,249.48)	(13,590.00)
Proceeds from sale of current investments	-	502.88
Proceeds from sale/maturity of non current investments	-	350.00
Short term loans given to subsidiaries (net)	(2,292.44)	(650.77)
Net proceeds from maturity/liquidation of fixed deposits	(209.09)	15.50
Interest received	304.48	281.17
Net Cash flow used in investing activities (B)	**(8,452.76)**	**(13,897.57)**
C Cash flows used in financing activities		
Proceeds from issuance of share capital	51.26	170.67
Payment towards reduction of outstanding lease liabilities	(1,644.61)	(1,607.64)
Proceeds from long term borrowings	103.49	6,513.96
Repayment of long term borrowings	(5,512.11)	(5,448.29)
(Repayment)/Proceeds of short term borrowings (net)	(1,731.57)	1,950.84
Interest paid	(3,161.56)	(2,707.44)
Net Cash flow used in financing activities (C)	**(11,895.10)**	**(1,127.90)**

CIN: L74899DL1992PLC049022

Standalone Statement of Cash flow

for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Net decrease in cash and cash equivalents (A + B + C)	**(479.14)**	**(788.72)**
Cash and cash equivalents at the beginning of the year	**796.39**	**1,566.64**
Cash and cash equivalents acquired on amalgamation (Refer note 42)	-	18.47
Cash and cash equivalents at the end of the year	**317.25**	**796.39**
Components of cash and cash equivalents (refer note 12)		
Cash on hand	22.71	17.24
Balances with scheduled banks in		
- Current accounts	194.54	200.47
- Deposits with original maturity of three months or less	100.00	578.68
Total cash and cash equivalents	**317.25**	**796.39**

The accompanying notes are an integral part of the financial statements. 1 to 48

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Place: Mumbai
Date: May 29, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital

	No. of shares	Amount ₹ in lakhs
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2022	79,08,13,373	79,081.33
Change in shares held by ESOP trust (refer note 14)	7,93,850	79.38
At March 31, 2023	**79,16,07,223**	**79,160.71**
Change in shares held by ESOP trust (refer note 14)	2,38,400	23.84
At March 31, 2024	**79,18,45,623**	**79,184.55**

B. Other Equity

₹ in lakhs

	RESERVE AND SURPLUS					Items of OCI	
	Capital redemption reserve	Securities premium	Capital reserve	General reserve	Surplus in the Statement of Profit and Loss	Remeasurement (losses)/ gains on defined benefit plans	Total Equity
Balance at April 1, 2022	45.00	10,451.88	-	3,035.24	6,182.88	10.68	19,725.68
Profit for the year	-	-	-	-	7,873.18	-	7,873.18
Other Comprehensive Income for the year	-	-	-	-	-	13.71	13.71
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**7,873.18**	**13.71**	**7,886.89**
On account of merger (Refer Note 42)	-	-	(319.12)	-	(621.44)	-	(940.56)
Impact of changes in shares held by ESOP trust (Refer Note 15)	-	91.29	-	-	-	-	91.29
Balance at March 31, 2023	**45.00**	**10,543.17**	**(319.12)**	**3,035.24**	**13,434.62**	**24.39**	**26,763.30**
Profit for the year	-	-	-	-	9,693.45	-	9,693.45
Other Comprehensive Income for the year	-	-	-	-	-	(8.81)	(8.81)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**9,693.45**	**(8.81)**	**9,684.64**
Impact of changes in shares held by ESOP trust (Refer Note 15)	-	27.42	-	-	-	-	27.42
Balance at March 31, 2024	**45.00**	**10,570.59**	**(319.12)**	**3,035.24**	**23,128.07**	**15.58**	**36,475.36**

The accompanying notes are an integral part of the financial statements. 1 to 48

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Rajesh Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-
Patanjali Govind Keswani
(Chairman & Managing Director)
DIN-00002974

Sd/-
Kapil Sharma
(Chief Financial Officer)

Sd/-
Jyoti Verma
(Group Company Secretary)
Mem. no. - F7210

Place: Mumbai
Date: May 29, 2024

CIN: L74899DL1992PLC049022

Notes to Standalone Financial Statements

for the year ended March 31, 2024

1. Corporate Information

Lemon Tree Hotels Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Asset No. 6, Aerocity Hospitality District, New Delhi-110037. The shares of the Company are listed on two stock exchanges in India i.e. BSE Limited and National Stock Exchange of India Limited.

The principal activities of the Company are to carry out business of developing, owning, acquiring, operating, managing, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Aurika, Lemon Tree Premier, Lemon Tree Hotel, Red Fox Hotel, Keys Select, Keys Prima and Keys Lite.

The financial statements for the year ended March 31, 2024 are approved for issue by the Board of Directors on May 29, 2024.

2 Basis of preparation of financial statements and material accounting policies

2.1 Basis of preparation and Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act ,2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost (refer note 34)

Accounting policies have been consistently applied.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, expect where otherwise indicated.

2.2 Material accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

Functional and presentation currency

The Company's financial statements are presented in INR, which is also the Company's functional currency. Presentation currency is the currency in which the Company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of lakhs rupees, except where otherwise stated.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date except to certain instruments which are measured at Amortized cost/ historic cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers,

Notes to Standalone Financial Statements

for the year ended March 31, 2024

which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Disclosures for valuation methods, significant estimates and assumptions (note 29)
- Quantitative disclosures of fair value measurement hierarchy (note 34)
- Financial instruments (including those carried at amortised cost) (note 34)

(d) Revenue recognition

The Company apply Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised.

In arrangements for room revenue and related services, the Company has applied the guidance in Ind AS 115 for recognition of Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room revenue and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Value Added Tax (VAT)/Goods and Service Tax(GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Value Added Taxes (VAT), Goods and Service Tax(GST)and Luxury Tax. Differenceof revenue over the billed as at theyear-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of VAT/ Goods and Service Tax (GST).

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from the management services comprises fixed and variable income. An entity recognizes revenue relating to the fixed income over time by measuring the progress towards complete satisfaction of the performance obligation. In respect of variable income, revenue is recognized is on an accrual basis in accordance with the terms of the relevant agreement.

(e) Taxes

Tax expense represents Current tax and Deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiariesand associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred

Notes to Standalone Financial Statements

for the year ended March 31, 2024

tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

(f) Property, plant and equipment(including Capital work in progress)

Property, Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated. Capital work in progress is stated at cost.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on PPE is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of PPE as follows:

Property, plant and equipment	Useful life considered
Plant & Machinery	15 Years
Building	60 Years/Leased remaining life
Electrical equipments and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	8 to 10 Years
Crockery, cutlery and soft furnishings	3 Years
Commercial Vehicles	6 Years
Private Vehicles	8 Years
Computers	3 Years
Network and servers	6 Years

The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 10 years for Brand (Keys Hotels) and 3 years for other intangible assets which shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment at each year end either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over the remaining estimated useful life on the date of purchase after considering total economic useful life of 60 years.

Though the Company measures investment property usingdeemedcost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(i) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during theyear. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

(j) Leases

The Company assesses that the contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(1) The contract involves the use of an identified asset,

(2) The Company has substantially all of the economic benefits from use of the identified asset, and

(3) The Company has the right to direct the use of the identified asset.

Company as a lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company adopts the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, exercise price of a purchase option and payments of penalties for terminating the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these low value leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

(k) Inventories

Stock of food and beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make sale.

(l) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(n) Deferred Revenue

The Company operates a loyalty point's programme, which allows customers to accumulate points when they obtain services in the Company's Hotels. The points can be redeemed for free products/ nights, subject to a minimum number of points being obtained. Consideration received is allocated between the Room Revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

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for the year ended March 31, 2024

(o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Company's contribution made to Life Insurance Corporation is expensed off at the time of payment of premium.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at theyear-end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries/associates carried at cost

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. The difference between the transaction amount and amortized cost in case of interest free loan to subsidiaries based on the expected repayment period is considered as 'deemed investment on account of interest free loan to subsidiaries' (Refer Note 8(i)). After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. If there is any change in estimate for payment of loan (provided that there was no error in original estimate), difference in carrying amount and repayment has been adjusted as return on capital by the parent, based on condition/ situation prevailing on that date.The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments.

The Company has designated compulsory redeemable preference shares investments in its subsidiaries at FVTPL. The difference between the transaction amount and amortized cost is considered as 'deemed investment in compulsory redeemable preference shares' (Refer Note 8(i)).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity instruments

All equity investments (other than equity investments in subsidiaries) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiaries are carried at cost in financial statements less impairments if any. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially

Notes to Standalone Financial Statements

for the year ended March 31, 2024

all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: There are no instruments measured at FVTOCI

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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for the year ended March 31, 2024

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Financial guarantee

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

If a financial guarantee is an integral element of debts held by the entity, it is not accounted for separately.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(r) Share-based payments

Certain employees (including senior executives) of the Company receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of equity-settled transactions with employees measured at fair value at the date at which they are granted using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood

Notes to Standalone Financial Statements

for the year ended March 31, 2024

of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(s) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from core business operations. In its measurement, the Company does not include finance costs, finance income, depreciation and amortization, exceptional items, if any and tax expense.

(t) Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(u) Indirect taxes

Value Added Taxes/Goods & Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(v) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

3. Property, plant and equipment

₹ in lakhs

Particulars	Freehold land	Building on freehold land	Building on leasehold Land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total
Gross Carrying Amount (I)												
At April 1, 2022	**10,153.30**	**17,179.15**	**11,967.38**	**4,937.12**	**1,910.60**	**1,179.90**	**84.10**	**2,636.41**	**315.70**	**223.57**	**688.52**	**51,275.75**
Additions	-	-	-	88.91	6.68	72.55	13.03	51.47	-	49.76	117.44	399.84
Acquired on amalgamation (Refer note 42)							0.79	0.38		5.63	47.56	54.36
Eliminated on Disposals	-	-	-	-	-	-	0.45	-	-	-	40.20	40.65
At March 31, 2023	**10,153.30**	**17,179.15**	**11,967.38**	**5,026.03**	**1,917.28**	**1,252.45**	**97.47**	**2,688.26**	**315.70**	**278.96**	**813.32**	**51,689.30**
Additions	-	-	-	180.13	23.41	83.39	9.06	188.62	0.15	51.25	129.31	665.32
Eliminated on Disposals	-	-	-	-	-	9.58	-	24.11	-	2.79	-	36.48
At March 31, 2024	**10,153.30**	**17,179.15**	**11,967.38**	**5,206.16**	**1,940.69**	**1,326.26**	**106.53**	**2,852.77**	**315.85**	**327.42**	**942.63**	**52,318.14**
Accumulated Depreciation (II)												
At April 1, 2022	-	1,989.08	1,778.76	2,826.35	1,495.20	774.62	83.28	2,006.22	307.01	184.44	342.93	11,787.89
Charge for the year	-	297.14	198.22	340.69	69.40	58.23	4.60	103.25	0.66	17.47	37.52	1,127.18
Acquired on amalgamation (Refer note 42)	-	-	-	-	-	-	0.79	0.33	-	5.63	16.19	22.94
Eliminated on Disposals	-	-	-	-	-	-	0.23	-	-	-	33.68	33.91
At March 31, 2023	-	2,286.22	1,976.98	3,167.04	1,564.60	832.85	88.44	2,109.80	307.67	207.54	362.96	12,904.10
Charge for the year	-	297.24	280.28	300.16	56.16	56.20	5.08	94.33	0.66	26.99	102.53	1,219.63
Eliminated on Disposals	-	-	-	-	-	8.62	-	19.11	-	2.23	-	29.96
At March 31, 2024	**-**	**2,583.46**	**2,257.26**	**3,467.20**	**1,620.76**	**880.43**	**93.52**	**2,185.02**	**308.33**	**232.30**	**465.49**	**14,093.77**
III. Net Carrying amount(I-II)												
At March 31, 2024	**10,153.30**	**14,595.69**	**9,710.12**	**1,738.96**	**319.93**	**445.83**	**13.01**	**667.75**	**7.52**	**95.12**	**477.14**	**38,224.37**
At March 31, 2023	10,153.30	14,892.93	9,990.40	1,858.99	352.68	419.60	9.03	578.46	8.03	71.42	450.36	38,785.20

Net book value	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	**38,224.37**	38,785.20

Notes

a) Title deeds for following immovable properties are submitted to lenders/custodian (on behalf of lenders):
   - HDFC Bank- Lemon Tree Hotel, Ahmedabad, Lemon Tree Hotel, Udyog Vihar, Lemon Tree Hotel, Chennai, Lemon Tree Hotel, Pune, Lemon Tree Premier Ulsoor Lake, Bangalore, Lemon Tree Hotel, Chandigarh.
   - Axis Trustee Services Limited (custodian) on behalf of Aditya Birla Finance Limited- Red Fox Hotel Hyderabad.

b) Refer Note 29 for Critical judgements, estimates and assumptions

c) The Property, Plant & Equipment are valued at cost.The Company has not revalued these assets during the year.

d) The lease agreement for leasehold properties on which building is constructed is registerd in the name of the Company (Refer note 7).

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Notes to Standalone Financial Statements

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4. Capital work-in-progress

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Hotel at Shimla		
Material	2,041.25	1,804.69
Salary wages & bonus	286.06	208.20
Professional charges	151.23	116.46
Others	5.70	5.70
	2,484.24	**2,135.05**

Particulars	Amount (₹ in lakhs)
Balance as at April 01, 2022	**1,766.94**
Additions during the year	**368.11**
Balance as at March 31, 2023	**2,135.05**
Additions during the year	349.19
Balance as at March 31, 2024	**2,484.24**

CWIP Ageing schedule

As at March 31, 2024

₹ in lakhs

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress#	349.19	368.11	219.35	1,547.59	2,484.24
Total	**349.19**	**368.11**	**219.35**	**1,547.59**	**2,484.24**

As at March 31, 2023

₹ in lakhs

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress#	368.11	219.35	97.80	1,449.79	2,135.05
Total	**368.11**	**219.35**	**97.80**	**1,449.79**	**2,135.05**

Represents hotel under construction at Shimla, During the year the Company has reassessed the expected completion date from financial year 2024-25 to 2026-27.

a) Refer Note 31(b) for information on contractual commitments for development of Shimla property.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

5. Investment property

Particulars	Total ₹ in lakhs
Gross Carrying Amount (I)	
At April 1, 2022	**258.89**
Additions	-
At March 31, 2023	**258.89**
Additions	-
At March 31, 2024	**258.89**
Accumulated Depreciation (II)	
At April 1, 2022	**30.74**
Charge for the year	4.39
At March 31, 2023	**35.13**
Charge for the year	4.39
At March 31, 2024	**39.52**
III. Net Carrying amount (I-II)	
At March 31, 2024	**219.37**
At March 31, 2023	**223.76**

Information regarding income and expenditure of Investment property:

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Rental income derived from investment property	20.49	19.38
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(1.05)	(1.00)
Profit arising from investment properties before depreciation and indirect expenses	**19.44**	**18.38**
Less – Depreciation	(4.39)	(4.39)
Profit arising from investment properties before indirect expenses	**15.05**	**13.99**

The Company's investment properties consist of a commercial property in Pune, India. The management has determined that the investment property consist of one classes of asset – office space – based on the nature, characteristics and risks of the property.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

As at March 31, 2024 and March 31, 2023, the fair values of the property is ₹ 258.89 lakhs and ₹ 258.89 lakhs respectively.

These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property dated March 25, 2014

The valuer has considered these valuations on the basis that there is no material change in the value of property since acquired, hence no impairment is made during the year

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant unobservable Inputs
Sales comparable method	Location
	Size of building
	Quality of building
	Visibility of unit
	Furnished/unfurnished

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

6. Intangible assets

₹ in lakhs

Particulars	Software	Goodwill	Brand	Total
Gross Carrying Amount (I)				(Keys Hotels)
At April 1, 2022	521.83	2.63	100.00	624.46
Additions	6.16	-	-	6.16
Acquired on amalgamation (Refer note 42)	8.70	-	-	8.70
At March 31, 2023	536.69	2.63	100.00	**639.32**
Additions	7.46	-	-	7.46
At March 31, 2024	544.15	2.63	100.00	**646.78**
Accumulated Depreciation (II)				
At April 1, 2022	376.42	-	20.00	396.42
Acquired on amalgamation (Refer note 42)	8.26	-	-	8.26
Amortisation	44.93	2.63	10.00	57.56
At March 31, 2023	429.61	2.63	30.00	**462.24**
Amortisation	59.65	-	7.50	67.15
Acquired on amalgamation (Refer note 42)	-	-		
At March 31, 2024	489.26	2.63	37.50	**529.39**
III. Net Carrying amount (I-II)				
At March 31, 2024	**54.89**	**-**	**62.50**	**117.39**
At March 31, 2023	**107.08**	**-**	**70.00**	**177.08**

Net book value	**As at March 31, 2024**	**As at March 31, 2023**
Intangible assets	117.39	177.08

Notes

a) The Intangible assets are valued at cost.The Company has not revalued these assets during the year.

7. Right-of-use asset

₹. In lakhs

Particulars	Amount
Gross Carrying Amount (I)	
At April 1, 2022	23,963.45
Additions	-
At March 31, 2023	**23,963.45**
Additions	-
At March 31, 2024	**23,963.45**
Accumulated Depreciation (II)	
At April 1, 2022	8,640.98
Amortisation	806.10
At March 31, 2023	**9,447.08**
Amortisation	813.65
At March 31, 2024	**10,260.73**
III. Net Carrying amount (I-II)	
At March 31, 2024	**13,702.72**
At March 31, 2023	**14,516.37**

Notes:

a) The lease agreement for leasehold properties is registerd in the name of the Company.

b) Right-of-use assets are valued at cost.The Company has not revalued these assets during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

8. Financial assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(i) Investments		
(A) Investment in Companies with hotel properties		
Investments at cost		
Unquoted equity shares of subsidiary companies at cost		
57,630,968 (Previous year 5,44,63,768) equity shares of Fleur Hotels Private Limited of ₹ 10 each fully paid.*	78,887.23	63,101.81
500,945,400 (Previous year 500,945,400) Equity shares of Canary Hotels Private Limited of ₹ 1 each fully paid.	6,774.28	6,774.28
1,01,95,000 (Previous year 1,01,95,000) Equity shares of Sukhsagar Complexes Private Limited of ₹ 10 each fully paid.	3,219.23	3,219.23
57,14,280 (Previous year 57,14,280) Equity shares of Manakin Resorts Private Limited of ₹ 10 each fully paid.**	2,730.69	2,730.69
4,100,000 (Previous year 3,700,000) Equity shares of Oriole Dr Fresh Hotels Private Limited of ₹ 10 each fully paid.	3,008.09	2,643.97
Unquoted compulsory convertible preference shares of subsidiary companies at cost		
Nil (Previous year 2,200,000) Compulsorily Convertible Preference shares of Fleur Hotels Private Limited of ₹ 10 each fully paid***	-	10,900.06
Deemed investment (equity portion) on account of interest free loan to subsidiaries (Repaid)		
Fleur Hotels Private Limited	59.90	59.90
Oriole Dr Fresh Hotels Private Limited	14.46	14.46
Deemed investment (equity portion) in redeemable preference shares (Repaid)		
Sukhsagar Complexes Private Limited	74.89	74.89
Oriole Dr Fresh Hotels Private Limited	145.56	145.56
Fleur Hotels Private Limited	98.03	98.03
Canary Hotels Private Limited	22.99	22.99
(I)	**95,035.35**	**89,785.87**
(B) Other investments		
Investments at cost		
Unquoted equity shares of subsidiary companies at cost		
934,580 (Previous year 934,580) Equity shares of Carnation Hotels Private Limited of ₹ 1 each fully paid.	1,896.01	1,896.01
350,000 (Previous year 350,000) Equity shares of Lemon Tree Hotel Company Private Limited of ₹ 1 each fully paid.	3.50	3.50
300,000 (Previous year 300,000) Equity shares of Red Fox Hotel Company Private Limited of ₹ 1 each fully paid.	3.00	3.00
10,000 (Previous year 10,000) Equity shares of Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited) of ₹ 10 each fully paid.	1.00	1.00
10,000 (Previous year 10,000) Equity shares of Madder Stays Private Limited of ₹ 10 each fully paid.	1.00	1.00
10,000 (Previous year 10,000) Equity shares of Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited) of ₹ 10 each fully paid.	1.00	1.00

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	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
80,10,000 (Previous year 80,10,000) Equity shares of Totally Foxed Solutions Private Limited of ₹ 10 each fully paid.	801.00	801.00
29,500,000 (Previous year 29,500,000) Equity shares of Hamstede Living Private Limited of ₹.10 each fully paid	887.07	887.07
Less Provision of diminution in the value of Investment made in Hamstede Living Private Limited	(592.07)	(592.07)
Unquoted equity shares of associate companies at cost		
340,000 (Previous year 340,000) Equity shares of Mind Leaders Learning India Private Limited of ₹.1 each fully paid.	3.40	3.40
Deemed investment (equity portion) in redeemable preference shares (Repaid)		
Carnation Hotels Private Limited	224.30	224.30
Unquoted equity shares of companies other than subsidiary and associate companies at fair value through profit and loss		
1,937 (Previous Year: 1,937) equity shares of SEP Energy Private Limited of ₹.10 each fully paid.	0.19	0.19
(II)	**3,229.40**	**3,229.40**
(I+II)	**98,264.75**	**93,015.27**
Aggregate book value of unquoted investments	98,264.75	93,015.27
Aggregate amount of impairment in value of investments	592.07	592.07
Non-Current	**98,264.75**	**93,015.27**
Total	**98,264.75**	**93,015.27**

*Dandelion Hotels Private Limited merged with Lemon Tree Hotels Limited vide order dated December 14, 2023, appointed date April 1, 2022. Company is in process of transferring share certificates in name of Lemon Tree Hotels Limited.

''PSK Resorts & Hotels Private Limited merged with Lemon Tree Hotels Limited vide order dated December 14, 2023, appointed date April 1, 2022. Company is in process of transferring share certificates in name of Lemon Tree Hotels Limited.

***During the year on July 28, 2023, the compulsory convertible preference shares were converted into equity shares in 1:1 ratio.

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(ii) Loans		
(unsecured considered good unless otherwise stated)		
Loans to employees at amortised cost	18.52	30.00
	18.52	**30.00**

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(iii) Other financial assets (unsecured, considered good)		
Security deposits	2,124.24	1,908.24
Interest accrued on deposits with banks and others*	65.08	81.68
Fixed deposits under lien*	96.13	97.04
	2,285.45	**2,086.96**

* Fixed deposits under lien and interest accrued on deposits with banks includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

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9.1 Deferred tax assets (net)

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Property, plant and equipment and intangible assets	4,484.56	4,395.30
Deferred tax liability	**4,484.56**	**4,395.30**
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	155.60	193.70
Lease liability	2,118.70	1,967.69
Gratuity	65.07	48.06
Leave compensation	28.93	27.72
Loyalty program	10.30	9.35
Provision for contingency	26.72	24.06
Provision for slow moving inventory	8.56	8.56
Interest on borrowings u/s 43B	323.51	323.51
Security deposits- impact on discounting	651.51	634.17
Amortised processing cost	65.86	56.32
Provision for doubtful debts and advances	55.61	43.14
Deferred tax asset	**3,510.37**	**3,336.28**
A. Deferred tax liability (net)	**(974.19)**	**(1,059.02)**
B. MAT credit entitlement (Deferred tax asset)*	**3,222.59**	**4,834.69**
Deferred tax asset (net) (A+B)	**2,248.41**	**3,775.67**

*MAT credit as on March 31, 2024 for ₹ 3,222.59 lakhs shall expiry between FY 2033-34 to 2037-38.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year March 31, 2024 and March 31, 2023:

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Profit before tax	13,577.18	11,168.51
Tax rate	29.12%	29.12%
Tax at statutory income tax rate	3,953.68	3,252.27
Effect of incomes taxable at nil/lower rate	(7.34)	(4.45)
Effect of non-deductible expenses	(7.23)	(2.83)
Loss adjusted on account of merger	(55.38)	-
Net tax expense as per P&L	**3,883.73**	**3,244.99**

9.2 Non-Current tax assets (net)

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Advance Income Tax (net of provision for taxation)	532.68	629.29
	532.68	**629.29**

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

10. Other non-current assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Unsecured, considered good		
Capital advances	32.16	0.44
Prepaid expenses	140.38	159.46
	172.54	**159.90**

11. Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Food and beverages (excluding liquor and wine)	43.67	38.18
Liquor and wine	35.69	42.13
Stores, cutlery, crockery, linen, provisions and others (valued at cost)	183.18	175.63
Total	**262.54**	**255.94**

Refer footnote to Note 16 for inventories pledged.

12. Financial assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(i) Trade receivables*#		
Trade receivables		
Unsecured, considered good	1,989.05	6,472.27
Trade Receivables which have significant increase in credit risk	157.37	146.32
Less: Provision for expected credit loss	(157.37)	(146.32)
Total	**1,989.05**	**6,472.27**
Trade receivables from non related parties	1,463.41	1,299.39
Tarde receivables from related parties(Refer Note 33)	525.64	5,172.88
	1,989.05	**6,472.27**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The interest free credit period given to customers is upto 90 days.

Trade receivables are non interest bearing and are generally on terms of 30 to 90 days from the date of invoice.

* read with note number 35(a).

#Trade receivable ageing schedule based on the requirement of Schedule III

Notes to Standalone Financial Statements

for the year ended March 31, 2024

As at March 31, 2024 (₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	27.47	1,804.78	121.74	35.06	-	-	1,989.05
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	7.15	12.02	20.28	0.51	109.67	149.63
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed TradeReceivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed TradeReceivables – credit impaired	-	-	-	-	-	7.74	7.74
Total	**27.47**	**1,811.93**	**133.75**	**55.34**	**0.51**	**117.41**	**2,146.42**
Less: Provision for expected credit loss	-	(7.15)	(12.02)	(20.28)	(0.51)	(117.41)	(157.37)
Net total	**27.47**	**1,804.78**	**121.74**	**35.06**	**-**	**-**	**1,989.05**

As at March 31, 2023 (₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	36.25	6,259.17	173.63	3.22	-	-	6,472.27
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	5.89	17.10	1.51	3.72	118.10	146.32
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed TradeReceivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed TradeReceivables – credit impaired	-	-	-	-	-	-	-
Total	**36.25**	**6,265.06**	**190.73**	**4.73**	**3.72**	**118.10**	**6,618.59**
Less: Provision for expected credit loss	-	(5.89)	(17.10)	(1.51)	(3.72)	(118.10)	(146.32)
Net total	**36.25**	**6,259.17**	**173.63**	**3.22**	**-**	**-**	**6,472.27**

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(ii) Cash and cash equivalents		
Balance with banks		
On current accounts	194.54	200.47
Deposits with original maturity of 3 months or less	100.00	578.68
Cash on hand	22.71	17.24
Total	**317.25**	**796.39**

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Reconciliation of Movements of liabilites to cash flows arising from financing activites

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Balance as at beginning of the year-Borrowings and lease liabilites	54,287.23	51,257.14
Movement due to payments made	(11,893.83)	(1,297.56)
-Accrual of finance cost	4,695.60	4,291.32
-Amortization of processing charges	32.77	36.33
Balance as at end of the year- Borrowings and lease liabilites	**47,121.77**	**54,287.23**

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(ii) Bank balances other than (ii) above		
Deposits with original maturity of more than 3 months and less than 12 months	210.00	-
	210.00	**-**

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(iv) Loans		
Unsecured, considered good		-
Loans and advances to subsidiaries*#	3,296.23	1,003.79
Total	**3,296.23**	**1,003.79**

*read with note number 33

Disclosure of loans or advances given by the company in the nature of loans granted to related parties. ₹ in lakhs

Type of Borrower	March 31, 2024 Amount of loan or advance in the nature of loan outstanding	March 31, 2024 % of total Loans and Advances in the nature of loans	March 31, 2023 Amount of loan or advance in the nature of loan outstanding	March 31, 2023 % of total Loans and Advances in the nature of loans
Loan to Related parties (Subsidiary)	3,296.23	100%	1,003.79	100%
Total	**3,296.23**		**1,003.79**	

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(v) Other financial assets		
Security deposits	0.68	0.88
Interest accrued but not due(refer note 33)	101.22	7.38
Total	**101.90**	**8.26**

Break up of current financial assets carried at amortised cost

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Trade receivables	1,989.05	6,472.27
Cash and cash equivalents	317.25	796.39
Security deposits	0.68	0.88
Interest accrued but not due(refer note 33)	101.22	7.38
Loans and advances to subsidiaries	3,296.23	1,003.79
Total	**5,704.43**	**8,280.70**

Notes to Standalone Financial Statements

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13. Other current assets

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Advances recoverable	257.57	442.11
Unbilled revenue	1,085.06	66.85
Balance with statutory/ government authorities	483.73	417.10
Prepaid expenses	432.42	342.96
Total	**2,258.78**	**1,269.02**

14. Share capital

Authorised Share Capital

	Equity shares (Face Value of ₹ 10 each)		5% Redeemable Preference shares (Face Value of ₹ 100 each)		Preference shares (Face Value of ₹ 100 each)	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At April 1, 2022	**1,00,14,40,000**	**1,00,144.00**	**1,45,000**	**145.00**	**-**	**-**
Increase/decrease during the year	-	-	-	-	-	-
At March 31, 2023	**1,00,14,40,000**	**1,00,144.00**	**1,45,000**	**145.00**	**-**	**-**
Acquired on amalgamation (refer note 42)	59,50,000	595.00	50,000	50.00	4,90,000	490.00
At March 31, 2024	**1,00,73,90,000**	**1,00,739.00**	**1,95,000**	**195.00**	**4,90,000**	**490.00**

Issued equity capital#

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of shares	₹ in lakhs
At April 1, 2022	**79,08,13,373**	**79,081.33**
Change in shares held by ESOP trust	7,93,850	79.38
At March 31, 2023	**79,16,07,223**	**79,160.71**
Change in shares held by ESOP trust	2,38,400	23.84
At March 31, 2024	**79,18,45,623**	**79,184.55**

excluding 400,841 equity shares (March 31, 2023: 639,241 shares) held by ESOP trust which has been consolidated in accordance with the requirement of IND AS 110. The movement is explained below:-

(a) Movement of share capital:

	Share capital		Shares held by ESOP trust		Share capital (excluding ESOP trust)	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At April 1, 2022	**79,22,46,464**	**79,224.64**	**14,33,091**	**143.31**	**79,08,13,373**	**79,081.33**
Change in shares held by ESOP trust	-	-	(7,93,850)	(79.38)	7,93,850	79.38
At March 31, 2023	**79,22,46,464**	**79,224.64**	**6,39,241**	**63.92**	**79,16,07,223**	**79,160.71**
Change in shares held by ESOP trust	-	-	(2,38,400)	(23.84)	2,38,400	23.84
At March 31, 2024	**79,22,46,464**	**79,224.64**	**4,00,841**	**40.08**	**79,18,45,623**	**79,184.55**

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for the year ended March 31, 2024

(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at No. of shares	As at % held as at March 31, 2024*	As at No. of shares	As at % held as at March 31, 2023*
Equity shares of ₹ 10 each fully paid up				
Spank Management Services Private Limited	17,18,24,781	21.69%	17,69,44,863	22.33%
APG Strategic Real Estate Pool N.V.	11,87,30,914	14.99%	11,87,30,914	14.99%
SBI Large and Midcap Fund	**5,82,02,476**	**7.35%**	**6,00,93,359**	**7.59%**

* Calculated on number of share capital (including ESOP trust)

(c) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 32

(d) Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	March 31, 2024 No. of shares	March 31, 2023 No. of shares
(i) Equity shares allotted as fully paid, pursuant to amalgamations	5,65,11,722	5,65,11,722

(ii) In addition, the Company has issued total Nil shares (March 31, 2023: 5,833,781) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Detail of shares held by promoter and promoter group

As at March 31, 2024

S. No.	Promoter Name	Category	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	Percentage of Total shares	Percentage change during the year
1	Patanjali Govind Keswani	Promoter	3,41,564	(3,41,564)	-	0.00%	-0.04%
2	Spank Management Services Private Limited	Promoter	17,69,44,863	(51,20,082)	17,18,24,781	21.69%	-0.65%
3	Toucan Real Estates Private Limited	Promoter Group	3,50,000	(3,50,000)	-	0.00%	-0.04%
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Lillette Dubey	Promoter Group	1,99,908	(24,908)	1,75,000	0.02%	0.00%
6	Ila Dubey	Promoter Group	24,44,292	-	24,44,292	0.31%	-
	Total		**18,70,63,907**	**(58,36,554)**	**18,12,27,353**	**22.88%**	

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As at March 31, 2023

S. No.	Promoter Name	Category	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	Percentage of Total shares	Percentage change during the year
1	Patanjali Govind Keswani	Promoter	3,41,564	-	3,41,564	0.04%	-
2	Spank Management Services Private Limited	Promoter	17,94,44,863	(25,00,000)	17,69,44,863	22.33%	-0.32%
3	Toucan Real Estates Private Limited	Promoter Group	3,50,000	-	3,50,000	0.04%	-
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Lillette Dubey	Promoter Group	3,74,908	(1,75,000)	1,99,908	0.03%	-0.02%
6	Ila Dubey	Promoter Group	24,44,292	-	24,44,292	0.31%	-
	Total		**18,97,38,907**	**(26,75,000)**	**18,70,63,907**	**23.61%**	

15. Other equity

₹ in lakhs

Securities premium	
At April 1, 2022	10,451.88
Change in shares held by ESOP trust	91.29
At March 31, 2023	**10,543.17**
Change in shares held by ESOP trust	27.42
At March 31, 2024	**10,570.59**
Surplus in the Statement of Profit and Loss	
At April 1, 2022	6,182.88
Profit for the year	7,873.18
On account of merger	(621.44)
At March 31, 2023	**13,434.62**
Profit for the year	**9,693.45**
At March 31, 2024	**23,128.07**
*refer note 32(a)	
Capital Reserve	
At April 1, 2022	-
On account of merger (refer note 42)	(319.12)
At March 31, 2023	**(319.12)**
Increase/(decrease) during the year	-
At March 31, 2024	**(319.12)**
Other comprehensive income	
At April 1, 2022	10.68
Increase during the year	13.71
At March 31, 2023	**24.39**
Increase during the year	(8.81)
At March 31, 2024	**15.58**

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	₹ in lakhs
General reserve	
At April 1, 2022	3,035.24
Increase/(decrease) during the year	-
At March 31, 2023	**3,035.24**
Increase/(decrease) during the year	-
At March 31, 2024	**3,035.24**
Capital redemption reserve	
At April 1, 2022	45.00
Increase/(decrease) during the year	-
At March 31, 2023	**45.00**
Increase/(decrease) during the year	-
At March 31, 2024	**45.00**

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Other equity		
Securities premium	10,570.59	10,543.17
Surplus in the Statement of Profit and Loss	23,128.07	13,434.62
Capital Reserve	(319.12)	(319.12)
Other comprehensive income	15.58	24.39
General reserve	3,035.24	3,035.24
Capital redemption reserve	45.00	45.00
Total	**36,475.36**	**26,763.30**

Notes:

Securities premium: Securities premium comprises of premium receievd on issue of shares

Surplus in the Statement of Profit and Loss: Surplus in the Statement of Profit and Loss represents balances of profit and loss at each year end.

Other comprehensive income: Other comprehensive income represents accumulated balances of Remeasurement (losses)/gains on defined benefit plans.

General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paidup capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Capital redemption reserve: The Companies Act provides that companies redeeming its preference shares at face value or nominal value is required to transfer an amount into capital redemption reserve. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.

Capital reserve: Capital reserve account is recorded as difference in net worth of the transferee Company merged and investment made in those Companies.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

16. Borrowings

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Non-current borrowings		
Term Loans		
Loans from Banks (Secured)		
Axis Bank Limited (Refer footnote 1 to 3 below)	322.57	758.95
HDFC Bank Limited (Refer footnote 7 to 11 below)	13,058.47	18,438.51
Vehicle loans (Refer footnote 12 below)	174.92	157.07
Loans from financial institutions (secured)		
Aditya Birla Finance Limited (Refer footnote 4 to 6 below)	9,088.69	10,423.64
Total non-current borrowings	**22,644.65**	**29,778.17**
Current maturity of long term loans (secured)		
Axis Bank Limited (Refer footnote 1 to 3 below)	435.98	202.75
HDFC Bank Limited (Refer footnote 7 to 11 below)	5,409.25	4,947.26
Vehicle loans (Refer footnote 12 below)	73.31	89.37
Current maturity of loans from financial institutions		
Aditya Birla Finance Limited (Refer footnote 4 to 6 below)	1,338.50	260.00
Total current maturity of loans	**7,257.04**	**5,499.38**
Less: Amount clubbed under "Short term borrowings" (refer note 18(i))	(7,257.04)	(5,499.38)
Net current borrowings	**-**	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Axis Bank Limited	1,770.00	8.65%	9.35%	The Loan is repayable in 19 quarterly instalments.	**It secured by:** a) Exclusive charge over movable and immovable properties and fixed assets, both present and future, pertaining to Red Fox Hotel situated at Asset No.6 Aerocity Hospitality District, New Delhi-110037(except project land). b) Exclusive charge by way of hypothecation of all the project's movables including movable plant & machinery, machinery spares, tools and accessories. c) Exclusive charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities and subject to prior approval of bank. d) Exclusive charge by way of assignment or creation of charge in favour of the lender of - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (e) All Cash Flow routing to be done through Escrow Account maintained with bank. (f) Right of substitution and other rights under the Substitution Agreement, on pari passu basis with other lenders.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
2	Axis Bank Limited	648.00	8.65%	8.45%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	**It is secured by:-** (a) Second charge over all the borrower's properties and assets, both present and future, pertaining to Red Fox Hotel Project, situated at asset area 6, Delhi Aerocity Hospitality District, New Delhi (except project land). (b) Second charge by way of hypothecation of all the project's movables, including movable plant & machinery. machinery, spares, tools and accessories. (c) Second charge on project's book debts, operative cashflows, receivables, commissions, bank accounts, revenue of whatever nature and wherever arising, present and future subject to prior, present and future subject to prior change of bankers on specified current assets for securing working capital facilities and subject to prior approval of the bank. (d) Second charge by way of assignment or creation of charge in favour of lenders: - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (e) Right to substitution and other rights under substitution agreement, on pari-passu basis with other lenders. (f) All cashflows routing shall continue to be done through TRA Account. (g) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited.
3	Axis Bank Limited	326.00	8.65%	8.10%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	
4	Aditya Birla Finance Limited	884.00	9.50%	9.90%	The loan is repayable in 48 equal monthly installments after moratorium of 12 months from the date of 1st disbursement.	**It is secured by:** 1) Second Charge on all moveable and current assets of the Company in connection with its Red Fox Hotel Hyderabad, both present and future. 2) Second Charge on Immovable Property Red Fox Hotel Hyderabad of the Company.

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for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
5	Aditya Birla Finance Limited	4,500.00	9.50%	9.90%	The loan is repayable in 44 structured quarterly installments after moratorium of 12 months from the date of 1st disbursement.	**It is secured by:** a) First exclusive charge on the Immovable Fixed Assets (both present and future) of the Red Fox Hotel Hyderabad, to provide a minimum cover of 1.50x at all times during the tenor of the loan. b) First exclusive charge on all the Movable Fixed Assets (both present and future) of the Red Fox Hotel Hyderabad. c) First exclusive charge on Escrow of entire cash flow of Red Fox Hotel Hyderabad. d) DPN
6	Aditya Birla Finance Limited	6,500.00	9.60%	10.00%	31 structured quarterly (except for last installment) installments from the date of first disbursement.	**It is secured by:** 1. First exclusive charge on Immovable Fixed Assets (both present and future) of the 'Property' to provide a minimum Fixed Asset Coverage Ratio (FACR) of 1.25x (Market value of Land, Building and all appurtenances therein) at all times during the tenor of the Facility. 2. First & exclusive charge on Current and Movable Fixed Assets (both present and future) of the Property. 3. First & exclusive charge on Escrow Account for routing of entire cash flow pertaining to the Property. 4. Second Pari passu charge on all the Current Assets, Cashflows of the Company (excluding Current Assets, Cashflows pertaining to the Property and Red Fox Hotel, Hyderabad where Aditya Birla has first and exclusive charge), both present and future.
7	HDFC Bank Limited	4,200.00	8.70%	8.90%	Repayable in 48 monthly installments after moratorium of 12 months	**Second Charge by way of Hypothecation on the following:** 1] All the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and any other goods, 2] All the book debts, amounts outstanding, monies receivable, claims and bills which are now due and owing or which may at any time hereafter during. 3] All the plant and machinery both present and future consisting of all 4] The whole of the Security Provider's moveable properties, including its movable plant and machinery, machinery spares, tools and accessories furniture, **Created with charge as below:** It is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of bank. Properties:- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahemdabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore

Notes to Standalone Financial Statements

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Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
8	HDFC Bank Limited	2,100.00	8.70%	8.55%	The loan is repayable in 39 step-up quarterly installments.	**It is secured by:** a) First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables. b) A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts, operating cash flows, receivables, commissions, banks accounts (whenever held) if any-present & future all revenues c) Mortgage of leasehold rights of the projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) land admeasuring 0.46 acre (2241.38 sq yrd) and building thereon.
9	HDFC Bank Limited	10,000.00	8.65%	8.55%/ 8.90%	The loan is repayable in 44 consecutive quarterly installments after a moratorium of 1 year.	**It is secured by:** a) First pari passu charge by way of mortgage on Select properties. The borrower shall ensure asset cover ratio should not be less than 1.50x (based on market value of security) at all times. b) First pari passu charge by way of hypothecation in favor of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of Select Properties. Properties:- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad - Hotel Lemon Tree, Chennai - Lemon Tree Premier, Bangalore
10	HDFC Bank Limited	11,100.00	8.65%	8.90%	The loan shall be repaid in 27 Consecutive quarterly installments as per the schedule mentioned in sanction letter.	**It is secured by:** a) First exclusive charge by way of equitable mortgage on select properties. b) First exclusive charge by way of hypothecation in favour of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of below mentioned properties: Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Lemon Tree Premier, Bangalore.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2024	Carrying rate of Interest as at March 31, 2023	Repayment/ Modification of terms	Security/ Principal terms and conditions
11	HDFC Bank Limited	4,192.60	8.70%	8.55%	The loan is repayable in 48 monthly installments after a moratorium of 24 months.	It is secured by second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank and security created over the asset of the borrower purchased out of this facility. Properties:- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore
	Vehicle loan (different banks)	-			These loans are repaid on agreed monthly installments.	Vehicle loan is secured by hypothecation of underlying motor vehicle acquired out of such loans from HDFC Bank Limited, Axis Bank Limited and BMW Financial Services.

(i) The Company has not defaulted in the repayment of loans and interest as at Balance Sheet date

(ii) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debt service coverage ratio, capital gearing ratio, fixed assets coverage ratio.

(iii) The Company has complied all significant covenants from bank and financial institutions as per the terms of the loan agreement.

(iv) The Company has used borrowings from banks/financial institutions for the specific purpose of working capital requirement and/or setting new projects. The Company has utilized funds from its internal accrual for making investment in subsidiaries/loan to subsidiaries.

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

16. (a) Lease liabilities

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Balance at beginning of the year	17,060.38	17,084.13
Interest accrued during the year (refer note 25)	1,586.56	1,583.89
Payment of lease liabilities	1,644.61	1,607.64
Balance at end of the year	**17,002.33**	**17,060.38**
Current	297.69	294.35
Non-Current	**16,704.64**	**16,766.03**

17. Provisions

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Provision for gratuity (Refer note 30)	**223.48**	**168.72**
Current	21.75	21.86
Non-current	201.73	146.86
Provision for compensated absences	**99.34**	**96.16**
Current	99.34	96.16
Non-current	-	-
Provision for litigations (Refer note 31(d))	**91.76**	**82.64**
Current	91.76	82.64
Non-current	-	-
Total current	**212.85**	**200.66**
Total non-current	**201.73**	**146.86**

18. Financial liabilities

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(i) Short term borrowings		
9 % loan from Manakin Resorts Private Limited repayable on demand	-	140.28
Cash credit from banks (Secured)	217.74	1,809.02
Current maturities of long-term borrowings (refer note 16)	7,257.04	5,499.38
	7,474.78	**7,448.68**

A. The Cash credit facility and working capital loan from HDFC Bank Limited was repayable on demand and carries interest rate of 8.63%% p.a. (March 31, 2023: 9.20%) and is secured by way of:

a) First Exclusive charge by way of equitable mortgage on Select properties.

b) First exclusive charge by way of hypothecation in favor of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of Select Properties as below:

Properties:-

- Hotel Lemon Tree, Udyog Vihar
- Hotel Lemon Tree, Pune,
- Hotel Lemon Tree, Ahemdabad
- Hotel Lemon Tree, Chennai
- Lemon Tree Premier, Bangalore
- Lemon Tree Premier, Chandigarh

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for the year ended March 31, 2024

B. Basis on several terms and conditions as specified in sanction letters, the company submits quarterly returns/statements comprising of Operating performance MIS, cash flow mismatch statements and unaudited quarterly statements with banks/ financial institution and these returns/statements are materially in agreement with the books of accounts.

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(iii) Trade payables		
Trade Payables*#		
- Micro and small enterprises	349.53	406.28
- Other than Micro, small and medium enterprises	2,127.07	2,742.78
*read with note number 43		
	2,476.60	**3,149.06**
Trade payables to other than related parties	2,453.58	3,137.16
Trade payables to related parties (refer note 33)	23.02	11.90
	2,476.60	**3,149.06**

Trade payable ageing schedule based on the requirement of Schedule III

As at March 31, 2024

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	349.53	-	-	-	**349.53**
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,259.41	713.17	54.36	13.29	86.84	**2,127.07**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

As at March 31, 2023

(₹. in Lakhs)

Particulars	Not Due	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	406.28	-	-	-	**406.28**
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,926.01	711.80	13.05	6.26	85.66	**2,742.78**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
(iv) Other financial liabilities		
Interest accrued but not due on borrowings	12.38	85.20
Book overdraft	-	1.30
Other payables		
- Payable for capital goods	69.58	25.30
Total	**81.96**	**111.80**

19. Other current liabilities

	As at March 31,2024 ₹ in lakhs	As at March 31, 2023 ₹ in lakhs
Advance from customers	309.44	292.97
Deferred revenue- loyalty programme	35.37	32.11
Statutory dues (Provident fund, GST, TDS and other statory dues)	606.57	1,195.52
Total	**951.38**	**1,520.60**

20. Revenue from operations

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Revenue from operations		
Sale of products and services		
- Room rental	21,577.88	19,489.67
- Food and beverage (excluding liquor and wine)	2,272.59	2,141.47
- Liquor and wine	230.26	221.67
- Banquet rentals	115.06	118.62
- Telephone and telex	5.10	6.02
- Other Services (including service charge income)	1,540.32	1,294.31
Other Operating Revenue		
- Management fee*	9,996.29	7,778.62
*Refer note 33		
Revenue from operations	**35,737.50**	**31,050.38**

21. Other Income

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Rent received	84.04	50.97
Profit on sale of shares/investment	-	2.44
Insurance claim received	7.78	2.94
Sundry balances written back*	1,046.52	1.24
Profit on sale of Property, plant and equipment	2.76	6.20
Total	**1,141.10**	**63.79**

*Includes provision no longer required written back amounting ₹ 922.99 lakhs (March 31, 2023: Nil).

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22. Cost of food and beverages consumed

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
(a) Consumption of food and beverages excluding liquor and wine		
Inventory at the beginning of the year	38.18	30.32
Add: Purchases	1,240.81	1,165.30
	1,278.99	**1,195.62**
Less: Inventory at the end of the year	43.67	38.18
Cost of food and beverage consumed	**1,235.32**	**1,157.44**
(b) Consumption of liquor and wine		
Inventory at the beginning of the year	42.13	27.36
Add: Purchases	69.81	86.86
	111.94	**114.22**
Less: Inventory at the end of the year	35.69	42.13
Cost of liquor and wine consumed	**76.25**	**72.09**
Total (a+b)	**1,311.57**	**1,229.53**

23. Employee benefits expense

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Salaries, wages and bonus	6,009.33	4,828.61
Contribution to provident fund and other funds	280.75	266.10
Gratuity expense (refer note 30)	42.52	36.79
Staff welfare expenses	294.92	231.53
Total	**6,627.52**	**5,363.03**

24 (a). Power and fuel

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakh
Power and fuel	2,058.15	1,974.01
Total	**2,058.15**	**1,974.0**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

24 (b). Other expenses

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	644.76	607.72
Guest transportation	184.89	132.01
Spa expenses	53.55	31.17
Subscription charges	54.85	53.03
Repair and maintenance		
- Buildings	469.53	359.11
- Plant and machinery	529.57	545.02
- Others	183.09	113.53
Rent (refer note 31(a))	575.29	387.58
Rates and taxes	329.12	351.61
Insurance	112.46	95.44
Communication costs	321.13	238.11
Printing and stationery	76.60	74.72
Traveling and conveyance	52.84	65.07
Vehicle running and maintenance	84.05	80.93
Advertisement and business promotion	53.86	58.03
Architect and design fee	-	162.00
Commission -other than sole selling agent	1,375.54	706.93
Security and cleaning expenses	528.22	436.29
Membership and subscriptions	27.84	20.14
Legal and professional fees	834.29	622.22
Freight and cartage	4.01	4.12
Corporate social responsibility*	41.25	-
Loss on write off/sale of property, plant and equipment(net)	6.10	-
Provision for doubtful debts	11.05	-
Payment to auditor (Refer note below)	84.23	76.53
Miscellaneous expenses	71.84	27.35
Total	**6,709.96**	**5,248.66**
Payment to auditor (excluding Goods and service tax)		
for statutory audit fees	49.00	41.00
for limited review	30.00	30.00
for tax audit	1.00	1.00
for other attest services	-	0.60
Out of pocket expenses	4.23	3.93
	84.23	**76.53**

*** Details of CSR expenditure:**	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
(a) Gross amount required to be spent by the Company during the year	41.25	-
(b) Amount spent during the year ended on March 31, 2024:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	41.25	-
(b) Amount spent during the year ended on March 31, 2023:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

The Company, through CSR initiative focuses on following areas:

- Vocational skilling of Person with disabilities, for mainstream employment
- Empowerment of weaker section of society through education and skill training
- Giving special care to disabled's, advocacy for inclusion and early identification of person with disabilities

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for the year ended March 31, 2024

25. Finance costs

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Interest		
- on term loans from banks	1,959.01	2,276.20
- on loans from others	1,013.07	420.30
- on vehicle loans	19.52	21.10
- on other credit facilities from banks	117.44	39.06
- on lease liability (refer note 16(a))	1,586.56	1,583.89
- on income tax	12.46	0.13
Bank charges (including commission on credit card collection)	163.06	155.32
Total	**4,871.12**	**4,496.00**

26. Finance income

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Interest Income from financial assets at amortised cost:		
- Bank deposits	29.80	36.83
- Interest others*	315.35	268.59
Interest on income tax refund	36.57	59.20
Total	**381.72**	**364.62**

*Includes interest on loan to related party. Refer note 33.

27. Depreciation and amortization expense

	For the year ended March 31, 2024 ₹ in lakhs	For the year ended March 31, 2023 ₹ in lakhs
Depreciation on tangible assets	1,219.63	1,130.48
Amortization on intangible assets	67.15	58.08
Depreciation on investment properties	4.39	4.39
Depreciation on right to use asset	813.65	806.10
Total	**2,104.82**	**1,999.05**

28. Earnings per share (Basic EPS and Diluted EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity holders (for basic and diluted) (₹ in lakhs)	9,693.45	7,873.18
Weighted Average Number of Equity Shares (for basic and diluted)*	79,17,26,749	79,12,11,385
Basic and Diluted EPS	1.22	1.00

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year.

29. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities and other commitments. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical judgements, estimates and assumptions

a. Impairment of property, plant and equipment

Each hotel property is an identifiable asset that generates cash inflows and is independent of the cash inflows of the other hotel properties, hence identified as cash generating units. The Company assesses the carrying amount of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount Rate (pre tax rate of WACC)	12.00%	12.50%
Long Term Growth Rate	5.00%	5.50%

As at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount.

b. Impairment of Investment in subsidiaries having hotel properties

The Company assesses the carrying amounts of investment in subsidiaries having hotel properties to determine whether there is any indication that those investments have suffered an impairment loss. Where the carrying amount of investments exceed its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant assumptions such as such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Discount Rate (pre tax rate of WACC)	11.70%-13.50%	12.50%
Long Term Growth Rate	5.00%	5.50%

As at March 31, 2024, the estimated recoverable amount of the investments exceeded its carrying amount.

c. Leases

The Company has taken certain land and land & building on long term lease basis. The lease agreements generally have an escalation clause and are generally non-cancellable. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires judgment. The Company uses judgement in assessing the lease term and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate.

d. Loss Allowance on trade receivables (Expected credit loss)

An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2024 is considered adequate.

30. Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

₹ in lakhs

Benefit Liability	March 31, 2024	March 31, 2023
Gratuity plan	223.48	168.72
Total	**223.48**	**168.72**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

- **Investment risk**

  The most of the Indian defined benefit plans are funded with Life Insurance Corporation of India. Company does not have any liberty to manage the fund provided to Life Insurance Corporation of India.

  The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Company's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

- **Interest risk**

  A decrease in the interest rate on plan assets will increase the plan liability.

- **Longevity risk/life expectancy**

  The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. Increases in the life expectancy of the plan participants will increase the plan liability.

- **Salary growth risk**

  The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan. Such a review includes the asset – liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the result of this annual review.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2024:

₹ in lakhs

	Opening Balance	Cost charged to statement of profit or loss			Remeasurement gains/(losses) in other comprehensive income					Benefits paid	Contributions by employer	March 31, 2024
	April 1, 2023	Service cost	Net interest expense/ income	Sub-total included in profit or loss	Return on plan assets (excluding amounts included in net interest expense	Remeasurement changes arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions	Experience adjustment	Sub-total included in OCI			
Defined benefit obligation	427.74	30.96	29.69	60.65	-	-	-	(11.68)	(11.68)	(15.39)	-	484.68
Fair value of plan assets	259.02	-	18.13	18.13	4.55	-	-	-	(0.75)	(15.20)	-	261.20
Benefit liability	**168.72**	**30.96**	**11.56**	**42.52**	**(0.75)**	**-**	**-**	**(11.68)**	**(12.43)**	**(0.19)**	**-**	**223.48**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2023:

	Opening Balance	On account of merger	Cost charged to statement of profit or loss			Remeasurement gains/(losses) in other comprehensive income				Benefits paid	Contri-butions by employer	March 31, 2023
	April 1, 2022		Service cost	Net interest expense /income	Sub-total included in profit or loss	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement changes arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions	Experience adjustment	Sub-total included in OCI		
Defined benefit obligation	407.54	3.57	29.20	20.59	49.79	-	-	11.88	2.77	14.65	(18.50)	-	484.68
Fair value of plan assets	259.97		-	13.00	13.00	4.55	-	-	-	4.55	(18.50)	-	261.20
Benefit liability	**147.57**	**3.57**	**29.20**	**7.59**	**36.79**	**(4.55)**	**-**	**11.88**	**2.77**	**19.20**	**-**	**-**	**223.48**

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2024	March 31, 2023
Unquoted investments:		
Asset invested in insurance scheme with the LIC	100%	100%
Total	**100%**	**100%**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	March 31, 2024	March 31, 2023
Discount rate:		
Pension plan	7.00%	7.00%-7.20%
Future salary increases:		
Pension plan	5.00%	5.00%
Life expectation for pensioners:	Years	Years
Pension plan		
Male	60	60
Female	60	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:

India gratuity plan:

₹ in lakhs

Assumptions	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(5.73)	6.09	6.15	(5.89)

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

₹ in lakhs

Assumptions	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(5.45)	5.79	5.85	(5.60)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in lakhs

Duration (Years)	For the year ended March 31, 2024	For the year ended March 31, 2023
1	344.58	290.59
2	45.69	48.01
3	37.74	35.38
4	28.51	27.36
5	23.12	20.64
Above 5	57.55	55.82
Total expected payments	**537.19**	**477.80**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 years (March 31, 2023: 2 years).

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

31. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Company has entered into operating leases on hotel buildings, office premises, staff hostels and others. These are generally cancellable and are renewable by mutual consent on mutually agreed terms except for few properties (including hotel properties at Indore, Aurangabad, Gurgaon, New Delhi, Hyderabad (Banjara Hills) and Chandigarh.) The lease for the hotel property at Indore, Aurangabad, Gurgaon, New Delhi, Hyderabad (Banjara Hills) and Chandigarh are non-cancellable for a period of twenty-nine, twenty-two, thirty, twenty-seven, thirty and sixty years respectively. Refer Note No.7 for carrying value of right to use asset recognised and Refer Note No.16(a) for carrying value of lease liability and the movement during the year.

The weighted average of incremental borrowing rate applied to lease liabilities is 9.39% (March 31, 2023: 9.39%)

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Estimated amount of contracts remaining to be executed and not provided as at March 31,2024 is ₹3,246.66 lakhs (March 31,2023 ₹284.22 lakhs).

c. Contingent liabilities

Legal claim contingency

₹ in lakhs

	As at March 31, 2024	As at March 31, 2023
Counter guarantees issued in respect of guarantees issued by company's bankers	22.55	29.80
Service tax	70.05	70.05
Luxury tax	-	36.00
Total	**92.60**	**135.85**

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

For financials guarantee given to banks on behalf of and in respect of term loan facilities availed by its group companies refer note 31(f).

d. During the earlier years, the Company has taken land on lease for construction of building from one of the subsidiary company for which South Delhi Municipal Corporation ('the Authority') has raised demand of ₹ 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. Considering that the area occupied by the Company is 41% of the hotel property, it has made provision of ₹ 91.76 lakhs (Previous year: ₹ 82.64 lakhs) in this regard.

e. Note on Provident Fund:

Based upon the legal opinion obtained by the management, Company is not required to create provisions in books of accounts in view of the judgement of the Hon'ble Supreme court in the case of Vivekananda Vidyamandirvs Regional Provident Fund Commissioner (II), West Bengal and subsequent dismissal of review petition by Hon'ble Supreme court in the case of review petition No. 001972-001973/2019 in civil appeal 3965-3966 in the matter of Surya Roshni Ltd Vs Employees Provident Fund and Another.

Considering the equitable cause, the High Courts may give prospective effect to the judgement which can be done in exercise of inherent powers of High Court under Article 226 of the constitution of India.

In case of the Company, retrospective effect is remote and at present uniformity is maintained across all brands/grades.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

f. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of term loan facilities availed by its group companies for construction of new hotel project. In accordance with the policy of the Company (refer note 2.2(p)) the Company has designated such guarantees as 'Insurance Contracts' and classified them as contingent liabilities. Since these financial guarantees are an integral element of debts held by entities, hence, these have not been accounted for separately.

Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts. Refer below for details of the financial guarantees issued:

₹ in lakhs

Financial guarantees	Loan Outstanding As at March 31, 2024	As at March 31, 2024	Loan Outstanding As at March 31, 2023	As at March 31, 2023
Canary Hotels Private Limited	1,207.99	2,350.00	1,207.99	2,350.00
Hyacinth Hotels Private Limited	7,858.78	3,857.00	9,465.79	8,605.00
Sukhsagar Complexes Private Limited	-	-	1,188.86	4,300.00
Oriole Dr. Fresh Hotel Private Limited	1,985.75	2,500.00	2,174.29	2,500.00
Fleur Hotels Private Limited	74,185.81	85,302.00	82,743.32	85,302.00
Carnation Hotels Private Limited	-	1,900.00	718.34	1,900.00
Iora Hotels Private Limited	36,800.00	46,000.00	-	-
Total	**1,22,038.33**	**141,909.00**	97,498.59	104,957.00

32. Employee Stock Option Plans:

Stock options granted on and after April 1, 2006.

The Company has provided various share-based payment schemes to its employees. During the year ended March 31, 2024 ESOP Scheme 2006 is in operation:

Date of grant	September 1, 2006, April 1,2007, October 1, 2007, April 1, 2008, January 12, 2009, April 1, 2009, April 1, 2010, October 1, 2010, April 1, 2011, April 1, 2012, April 1, 2015, January 1, 2018
Date of Board Approval of plan	July 18, 2006
Date of Shareholder's approval of plan	August 25, 2006
Number of options granted	13,249,207
Method of Settlement	Equity
Vesting Period	12-48 months & 15-39 months
Exercise Period	5 years from the date of vesting
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period.

Details of vesting:

Vesting period from the grant date	Vesting Schedule*
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	30%
On completion of 48 months	40%

* All ESOP's under ESOP Plan 2006 are granted as per general vesting schedule defined in the scheme except for ESOP's granted on January 12,2009, 328,008 ESOP's granted on April 1, 2012 and 487,000 ESOP's granted on January 1, 2018 for which specific vesting schedule was decided.

Company has issued/forfeited Nil shares (March 31, 2023: Nil) during the year on exercise of options granted under the employee stock option plan (ESOP).

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

33. Related Party Transactions

Names of related parties		
Subsidiary Company	-	Carnation Hotels Private Limited
	-	Celsia Hotels Private Limited
	-	Fleur Hotels Private Limited
	-	Dandelion Hotels Private Limited (Upto December 13 2023)
	-	Hyacinth Hotels Private Limited
	-	Lemon Tree Hotel Company Private Limited
	-	Manakin Resorts Private Limited
	-	Berggruen Hotels Private Limited
	-	PSK Resorts & Hotels Private Limited (Upto December 13 2023)
	-	Oriole Dr. Fresh Hotels Private Limited
	-	Red Fox Hotel Company Private Limited
	-	Sukhsagar Complexes Private Limited
	-	Hamstede Living Private Limited
	-	Inovoa Hotels & Resorts Limited
	-	Canary Hotels Private Limited
	-	Grey Fox Project Management Company Private Limited (Upto December 13 2023)
	-	Ophrys Hotels Private Limited
	-	Iora Hotels Private Limited
	-	Bandhav Resorts Private Limited
	-	Valerian Management Services Private Limited (Upto December 13 2023)
	-	Nettle Hotels Private Limited (formerly known as Poplar Homestand Holdings Private Limited)
	-	Madder Stays Private Limited
	-	Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)
	-	Totally Foxed Solutions Private Limited (w.e.f. 11th August, 2022)
Key Management Personnel/ Director	-	Mr. Patanjali Govind Keswani (Chairman and Managing Director)
	-	Mr. Willem Albertus Hazeleger (Director)
	-	Mr. Aditya Madhav Keswani (Director)
	-	Mr. Pradeep Mathur (Independent Director) (ceased to be Independent Director w.e.f December 4, 2022)
	-	Mr. Paramartha Saikia (Independent Director)
	-	Mrs. Freyan Jamshed Desai (Independent Director)
	-	Mr. Ashish Kumar Guha (Independent Director) (ceased to be Independent Director w.e.f September 14, 2022)
	-	Mr. Arvind Singhania (Independent Director) (ceased to be Independent Director w.e.f September 14, 2022)
	-	Dr. Arindam Kumar Bhattacharya (Independent Director)
	-	Mr. Niten Malhan (Independent Director)
	-	Ms Smita Anand (Independent Director)(w.e.f November 09, 2023)
	-	Mr Praveen Garg (Independent Director)(w.e.f November 09, 2023)
	-	Mr Sanjay Sahai (Independent Director)(w.e.f November 09, 2023)
Enterprises owned or significantly influenced by key management personnel or their relatives	-	Toucan Real Estates Private Limited
Associate	-	Mind Leaders Learning India Private Limited
	-	Pelican Facilites Management Private Limited

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer : Mr. Kapil Sharma

Company Secretary : Mr. Nikhil Sethi (Upto October 31, 2023)

Ms Jyoti Verma (w.e.f. November 21, 2023)

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year

(₹ in lakhs)

Transactions with Related Party	Subsidiaries		Key Management Personnel/ Director		Shareholder having holding of 10% or more		Associate	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Reimbursement of expenses paid on behalf of party								
Fleur Hotels Private Limited	5.14	7.27	-	-	-	-	-	-
Hyacinth Hotels Private Limited	0.82	0.85	-	-	-	-	-	-
Oriole Dr. Fresh Hotels Private Limited	0.17	1.51	-	-	-	-	-	-
Canary Hotels Private Limited	0.17	2.59	-	-	-	-	-	-
Berggruen Hotels Private Limited	1.80	1.53	-	-	-	-	-	-
IORA Hotels Private Limited	3.42	-	-	-	-	-	-	-
Sukhsagar Complexes Private Limited	0.31	0.32	-	-	-	-	-	-
Others	1.09	0.93	-	-	-	-	-	-
Amount Received by the Party on behalf of the Company								
Fleur Hotels Private Limited	5.14	3.09	-	-	-	-	-	-
Hyacinth Hotels Private Limited	1.21	1.46	-	-	-	-	-	-
Berggruen Hotels Private Limited	2.07	-	-	-	-	-	-	-
Others	0.43	0.11	-	-	-	-	-	-
Amount received by the Company on behalf of the Party								
Hyacinth Hotels Private Limited	-	8.58	-	-	-	-	-	-
Manakin Resorts Private Limited	-	4.76	-	-	-	-	-	-
Fleur Hotels Private Limited	23.21	33.93	-	-	-	-	-	-
Berggruen Hotels Private Limited	-	0.57	-	-	-	-	-	-
Others	0.33	1.39	-	-	-	-	-	-
Loans (given)								
Canary Hotels Private Limited	228.00	75.00	-	-	-	-	-	-
Totally Foxed Solutions Private Limited	2,361.50	445.00	-	-	-	-	-	-
Oriole Dr. Fresh Hotels Private Limited	327.35	221.55	-	-	-	-	-	-
Sukhsagar Complexes Private Limited	874.00	1,055.00	-	-	-	-	-	-
Others	4.51	-	-	-	-	-	-	-
Repayment of Loan Given								
Canary Hotels Private Limited	31.00	120.00	-	-	-	-	-	-
Oriole Dr. Fresh Hotels Private Limited	363.12	287.78	-	-	-	-	-	-
Sukhsagar Complexes Private Limited.	1,109.00	850.00	-	-	-	-	-	-
Others	-	10.00	-	-	-	-	-	-

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

Transactions with Related Party	Subsidiaries		Key Management Personnel/ Director		Shareholder having holding of 10% or more		Associate	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Repayment of Loan Taken								
Manakin Resorts Private Limited	140.28	-	-	-	-	-	-	-
Lease Rent Paid (Gross)								
Hyacinth Hotels Private Limited	240.94	228.37	-	-	-	-	-	-
Rent Recevied (Gross)								
Mind leaders Learning India Private Limited		-	-	-	-	-	13.11	12.01
Pelican Facilites Management Private Limited		-	-	-	-	-	11.14	6.07
Reimbursement of expenses incurred on Company's behalf								
Hyacinth Hotels Private Limited.	384.46	351.72	-	-	-	-	-	-
Remuneration paid								
Mr. Patanjali Govind Keswani	-	-	429.25	349.93	-	-	-	-
Mr. Kapil Sharma	-	-	134.01	95.33	-	-	-	-
Mr. Nikhil Sethi	-	-	30.64	45.89	-	-	-	-
Ms. Jyoti Verma	-	-	13.95	-	-	-	-	-
Sitting Fee paid								
Mr. Arvind Singhania	-	-	-	0.25	-	-	-	-
Mr. Ashish Kumar Guha	-	-	-	0.70	-	-	-	-
Ms. Freyan Jamshed Desai	-	-	8.45	1.85	-	-	-	-
Dr. Arindam Kumar Bhattacharya	-	-	8.55	1.25	-	-	-	-
Mr Paramartha Saikia	-	-	4.90	1.90	-	-	-	-
Mr. Pradeep Mathur	-	-	-	0.90	-	-	-	-
Mr. Niten Malhan	-	-	8.55	1.50	-	-	-	-
Mr. Praveen Garg	-	-	0.75	-	-	-	-	-
Mr. Sanjiv Nandan Sahai	-	-	0.75	-	-	-	-	-
Ms. Smita Anand	-	-	0.75	-	-	-	-	-
Mr. Willem Albertus Hazeleger	-	-	0.85	-	-	-	-	-
Interest Received (Gross)								
Totally Foxed Solutions Private Limited	109.32	0.81	-	-	-	-	-	-
Interest Paid								
Manakin Resorts Private Limited	12.52	12.63	-	-	-	-	-	-

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Transactions with Related Party	Subsidiaries		Key Management Personnel/ Director		Shareholder having holding of 10% or more		Associate	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Purchase of Shares								
Carnation Hotels Private Limited	-	1,889.01	-	-	-	-	-	-
Totally Foxed Solutions Private Limited	-	801.00	-	-	-	-	-	-
APG Strategic Real Estate Pool N.V ((purchase of compulsory convertible preference shares of Fleur Hotels Private Limited)	-	-	-	-	4,884.36	10,898.41	-	-
Oriole Dr. Fresh Hotels Private Limited	364.12	-	-	-	-	-	-	-
Redemption of Preference Shares								
Carnation Hotels Private Limited	-	350.00	-	-	-	-	-	-
Compulsary Conversion of Preference Shares								
Fleur Hotels Private Limited	15,785.42	-	-	-	-	-	-	-
Management Fees Received								
Fleur Hotels Private Limited.	4,403.43	3,736.88	-	-	-	-	-	-
Hyacinth Hotels Private Limited.	861.97	766.63	-	-	-	-	-	-
Celsia Hotels Private Limited.	403.81	337.93	-	-	-	-	-	-
Berggruen Hotels Private Limited	585.60	553.36	-	-	-	-	-	-
IORA Hotels Private Limited	1,945.42	1,629.00	-	-	-	-	-	-
Others	273.85	301.49	-	-	-	-	-	-
Trademark/License Fee (Gross)								
Carnation Hotels Private Limited	15.79	14.02	-	-	-	-	-	-
Training Fees Paid								
Mind Leaders Learning India Private Limited	-	-	-	-	-	-	40.78	7.54
Guarantees given for loan taken by								
IORA Hotels Private Limited	46,000.00	-	-	-	-	-	-	-
Guarantees reduced for loan taken by								
Hyacinth Hotels Private Limited	4,748.00	-	-	-	-	-	-	-
Sukhsagar Complexes Private Limited	4,300.00	-	-	-	-	-	-	-
Balances outstanding at the year end								

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

Transactions with Related Party	Subsidiaries		Key Management Personnel/ Director		Shareholder having holding of 10% or more		Associate	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
A) Trade Receivable								
Fleur Hotels Private Limited	354.93	2,551.37	-	-	-	-	-	-
Canary Hotels Private Limited.	32.37	11.56	-	-	-	-	-	-
Hyacinth Hotels Private Limited.	-	81.50	-	-	-	-	-	-
Inovoa Hotels & Resorts Limited	12.80	230.62	-	-	-	-	-	-
Sukhsagar Complexes Private Limited.	38.43	17.93	-	-	-	-	-	-
Bandhav Resorts Private Limited		14.90	-	-	-	-	-	-
Berggruen Hotels Private Limited	57.34	212.80	-	-	-	-	-	-
IORA Hotels Private Limited	-	1,759.32	-	-	-	-	-	-
Mindleaders Learning India Private Limited	-	-	-	-	-	-	-	12.97
Others	29.76	373.09	-	-	-	-	-	-
B) Loan to Subsidiaries								
Oriole Dr. Fresh Hotels Private Limited	67.01	102.77	-	-	-	-	-	-
Sukhsagar Complexes Private Limited.	180.00	415.00	-	-	-	-	-	-
Totally Foxed Solutions Private Limited	2,796.50	435.00	-	-	-	-	-	-
Canary Hotels Private Limited.	243.91	46.91	-	-	-	-	-	-
Others	8.62	4.11	-	-	-	-	-	-
C) Loan From Subsidiaries								
Manakin Resorts Private Limited	-	140.28	-	-	-	-	-	-
D) Advance Recoverable								
Mind leaders Learning India Private Limited		-	-	-	-	-	-	11.42
E) Trade Payable								
Hyacinth Hotels Private Limited.	23.02	29.53	-	-	-	-	-	-
Totally Foxed Solutions Private Limited	0.19	-	-	-	-	-	-	-
Others	-	-	2.26	0.85	-	-	5.44	-
F) Security Deposits (Undiscounted)								
Hyacinth Hotels Private Limited.	3,850.00	3,850.00	-	-	-	-	-	-
G) Interest Accrued but not received								
Totally Foxed Solutions Private Limited	99.01	-	-	-	-	-	-	-

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for the year ended March 31, 2024

Transactions with Related Party	Subsidiaries		Key Management Personnel/ Director		Shareholder having holding of 10% or more		Associate	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
H) Unbilled Revenue								
Bandhav Resorts Private Limited	0.62	-	-	-	-	-	-	-
Berggruen Hotels Private Limited	46.04	-	-	-	-	-	-	-
Celsia Hotels Private Limited	45.10	-	-	-	-	-	-	-
Fleur Hotels Private Limited	562.75	-	-	-	-	-	-	-
Hyacinth Hotels Private Limited	162.72	-	-	-	-	-	-	-
Inovoa Hotels & Resorts Limited	6.91	-	-	-	-	-	-	-
Iora Hotels Private Limited	264.23	-	-	-	-	-	-	-
Guarantees given for loan taken by								
Fleur Hotels Private Limited	85,302.00	85,302.00	-	-	-	-	-	-
Canary Hotels Private Limited	2,350.00	2,350.00	-	-	-	-	-	-
Hyacinth Hotels Private Limited	3,857.00	8,605.00	-	-	-	-	-	-
Sukhsagar Complexes Private Limited	-	4,300.00	-	-	-	-	-	-
Oriole Dr. Fresh Hotels Private Limited	2,500.00	2,500.00	-	-	-	-	-	-
Carnation Hotels Private Limited	1,900.00	1,900.00	-	-	-	-	-	-
IORA Hotels Private Limited	46,000.00	-	-	-	-	-	-	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances with related parties at the year-end are unsecure and settlement occurs in cash. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Company has not entered into any commitments with related parties during the year.

34. Fair value measurement

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument.

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

a. Financial Assets (other than equity investment/ deemed investment in subsidiaries and associates carried at cost)

₹ in lakhs

	March 31, 2024		March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	1,989.05	-	6,472.27
Security Deposits (non-current)	-	2,124.24	-	1,908.24
Security Deposits (current)		0.68		0.88
Fixed Deposits (Including other bank balance)	-	306.13	-	97.04
Cash and Cash Equivalents	-	317.25	-	796.39
Interest accrued on deposit with banks and related party	-	166.30	-	89.06
Loans (non-current)	-	18.52	-	30.00
Loans (current)		3,296.23		1,003.79
Investments	0.19	-	0.19	-
Total Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)	**0.19**	**8,218.40**	**0.19**	**10,397.67**

Note: The financial assets above do not include investments in subsidiaries and associates which are measured at cost in accordance with Ind AS 27.

b. Financial Liabilities

	March 31, 2024		March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings (Non Current)	-	22,644.65	-	29,778.17
Borrowings (Current)	-	7,474.78	-	7,448.68
Trade Payables	-	2,476.60	-	3,149.06
Lease Liability(Non Current)		16,704.64		16,766.03
Lease Liability(Current)	-	297.69	-	294.35
Other Current Financial Liabilities	-	81.96	-	111.80
Total Financial Liabilities	**-**	**49,680.32**	-	**57,548.09**

c. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Financial assets and liabilities measured at fair value

₹ in lakhs

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.19	0.19
Total	**-**	**-**	**0.19**	**0.19**

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.19	0.19
Total	**-**	**-**	**0.19**	**0.19**

The following methods and assumptions were used to estimate the fair values:

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of compulsorily redeemable preference shares of subsidiaries have been estimated using the fair valuation by independent valuer. The valuation requires management to make certain assumptions about the interest rate, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

35. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

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Notes to Standalone Financial Statements

for the year ended March 31, 2024

₹ In lakhs

	March 31, 2024	March 31, 2023
Variable rate borrowings	29,871.20	36,840.13
Fixed rate borrowings	**248.23**	**386.72**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ In lakhs

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31,2024		
Floating rate borrowings	50	(169.69)
Floating rate borrowings	(50)	169.69
March 31, 2023		
Floating rate borrowings	50	(161.81)
Floating rate borrowings	(50)	161.81

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Company does not hold collateral as security.

Reconciliation of provision for doubtful debts – Trade receivables (including provision for expected credit loss)

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
As at beginning	**146.32**	**146.32**
Addition during the year	11.05	-
Reversal during the year	-	-
Utilised during the year	-	-
As at closing	**157.37**	**146.32**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 and March 31, 2023 is the carrying amount as given in Note 12(ii).

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. As at March 31, 2024, the Company had no available (March 31, 2023: ₹ Nil) undrawn committed borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in lakhs

Year ended March 31, 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	217.74	1,951.66	5,300.76	17,547.57	5,188.88	30,206.61
Trade and other payables	2,476.60	-	-	-	-	2,476.60
Financial Liabilities	81.96	-	-	-	-	81.96
	2,776.30	**1,951.66**	**5,300.76**	**17,547.57**	5,188.88	32,765.17

₹ in lakhs

Year ended March 31, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings *	1,949.30	880.49	4,639.24	22,053.96	7,822.92	37,345.91
Trade and other payables	3,149.07	-	-	-	-	3,149.07
Other Financial Liabilities	111.80	-	-	-	-	111.80
	5,210.17	880.49	4,639.24	22,053.96	7,822.92	40,606.78

* represents un-discounted cashflows

The table provides details regarding the contractual maturities of lease liabilities on undiscounted basis

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Minimum Lease Payments:		
Not later than one year	1,635.00	1,603.59
Later than one year but not later than five years	7,088.27	6,846.34
Later than five years	39,190.38	41,067.31
Total	**47,913.65**	**49,517.24**

36. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new

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for the year ended March 31, 2024

shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

₹ In lakhs

	March 31, 2024	March 31, 2023
Borrowings (Net of Processing Fee)	30,119.43	37,226.85
Trade payables	2,476.60	3,149.06
Less: cash and cash equivalents	317.25	796.39
Net debt	**32,278.78**	**39,579.52**
Total capital	115,659.91	105,924.01
Capital and net debt	**147,938.69**	**145,503.53**
Gearing ratio	**22%**	**27%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

37. Amendements/Standards notified but not yet effective

a) The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

b) Note on Social Security: The Code on Wages, 2019 and Code on social security, 2020 ("the codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the codes when the rules are notified and will record any related impact in the period in which the Codes become effective.

38. Ratio Analysis and its elements

S.No.	Ratio	Numerator	Denominator	March 2024	March 2023	% Variance	Reason for variance
1	Current Ratio	Current Asset	Current liabilities	0.73	0.77	(4.77%)	NA
2	Debt Equity Ratio	Total Debt	Shareholder equity	0.26	0.35	(25.90%)	Decrease in debt on account of regular repayment during the year.
3	Debt service coverage Ratio	Earnings available for debt service	Debt service	1.61	1.45	11.05%	NA
4	Return on Equity	Net profit after taxes	Average shareholders equity	8.75%	7.69%	(13.76%)	NA

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for the year ended March 31, 2024

S.No.	Ratio	Numerator	Denominator	March 2024	March 2023	% Variance	Reason for variance
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory (excluding Stores, cutlery, crockery, linen)	16.43	17.82	(7.81%)	NA
6	Trade Receivable turnover Ratio	Net total sales	Avg. accounts receivable	8.46	6.03	40.25%	Decrease in average debtors during the current year.
7	Trade Payables turnover Ratio	Net credit purchase	Average Trade Payable	NA	NA	NA	Not applicable to the company considering nature of business of the Company
8	Net capital Turnover Ratio	Net Sales	Working capital	(11.68)	(10.64)	9.83%	NA
9	Net Profit Ratio	Net Profit	Net sales	27.12	25.36	(6.97%)	NA
10	Return on capital employed	EBIT	Capital employed	12.40	10.70%	15.90%	NA
11	Return on investment	Interest (Finance income)	Investment	NA	NA	NA	Not applicable to the Company considering the investments are made to subsidiaries with long term growth outlook.

(i) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc which are non cash in nature.

(ii) Debt Service = Interest & Lease Payments + Principal Repayments (excluding prepayments).

(iii) Capital Employed= Networth+ Total Debt+Deferred Tax Liability-Net Intangible aseets

(iv) Working Capital= Current Assets- Current liabilities

(v) EBIT= Earning before interest, taxes and exceptional items

39. Segment Reporting

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

No customer individually accounted for more than 10% of the revenue.

40. During earlier year, the Company had issued equity shares to APG Strategic Real Estate Pool N.V. ('the investor') and the investor had 41.09% (March 31, 2023 41.09%) equity stake of Fleur Hotels Private Limited (a subsidiary Company) as on Balance sheet date. As per the Shareholder's agreement, all new hotel projects will first be offered to the subsidiary. There are no other significant commitments towards the investor.

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for the year ended March 31, 2024

41. During earlier years, the Company had entered into a sub license agreement with M/s Hyacinth Hotels Private Limited (a subsidiary of the Company) as part of Infrastructure development and services agreement entered between M/s Hyacinth Hotels Private Limited and Delhi International Airport Limited (DIAL) to develop a hotel at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the Company for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL may take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further.

42. The scheme of Amalgamation ('the scheme') between the Lemon Tree Hotels Limited ('Transferee Company') and its wholly owned subsidiaries ('Transferor Company')viz. Valerian Management Services Private Limited (Transferor Company 1"Valerian") , Grey Fox Project Management Private Limited (Transferor Company 2"Grey Fox"), PSK Resorts & Hotels Private Limited (Transferor Company 3 "PSK") and Dandelion Hotels Private Limited (Transferor Company 4"Dandelion") as approved by the National Company Law Tribunal ('NCLT') has become effective w.e.f. the appointed date i.e. April 01, 2022 on approval of NCLT on December 14, 2023 and filing of order received from NCLT in Form INC-28 with Registrar of Companies (ROC) on January 19, 2024.

On this Scheme becoming effective, with effect from the Appointed Date, the Transferee Company has given accounting treatment in its books of accounts as per Ind AS – 103, as under:

a. Upon the scheme becoming effective The Transferee Company has accounted for the amalgamation of the Transferor Companies in the books of accounting in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (India Accounting standards) Rules,2015 as amended,("Ind AS") and other accounting principles generally accepted in India and specifically under "Pooling of Interest Method" of accounting as laid down in Appendix C of Ind-AS 103 'Business Combination of entities under Common Control'.

b. The Transferee Company has recorded all Assets, Liabilities and Reserves of the Transferor Companies vested in the Transferee Company pursuant to this scheme, at the respective carrying amounts in the same form as appearing in the books of the Transferor Companies, on the Appointed Date.

c. The carrying amount of investments in the equity shares of the Transferor Companies held by transferee Company, shall stand cancelled and there shall be no further obligation in that behalf.

d. Upon the scheme coming into effect, the surplus/deficit, if any of the net value of assets, liabilities and reserves of the Transferor Companies acquired and recorded by the Transferee Company over the value of investments cancelled pursuant to Clause 11.1.c, has been transferred to "Capital Reserve Account" in the financial statements of the Transferee Company.

e. To the extent there are inter corporate loans, investments or other balances between the Transferor Companies and Transferee Company, the same thereof shall stand cancelled. Inter Company transactions, if any, between the Transferor Companies and the Transferee Company has been eliminated in the Transferee Company's financial statements.

f. The financial statements of the Transferee Company (including comparative period presented in the financial statements of the Transferee Company) has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period in the financial statements.

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for the year ended March 31, 2024

g. Detailed breakup of assets and liabilities of Transferor Company taken over by Transferee Company as at April 01, 2022 is as under:

₹ In lakhs

Particulars	Grey Fox Project Management Company Private Limited	Valerian Management Services Private Limited	Dandelion Hotels Private Limited	PSK Resorts & Hotels Private Limited
	Value of asset as on April 1, 2022	Value of asset as on April 1, 2022	Value of asset as on April 1, 2022	Value of asset as on April 1, 2022
Assets				
Property, plant and equipment (including intangible assets)	14.32	-	-	-
Other Non Current Assets				
(i) Investments	1.00	-	241.91	2,340.00
(ii) Other financial assets	0.11	-	-	-
Non-current tax assets	48.40	4.24	-	-
Financial assets-Current				
(i) Cash and Cash equivalents	9.40	4.97	2.71	1.40
(ii) Loans	202.70	-	-	-
(b) Other current assets	129.23	2.54	-	0.10
Deferred Tax Assets (Net)	-	-	16.92	-
Total Assets	**405.16**	**11.75**	**261.54**	**2,341.50**
Liabilities				
Borrowings	143.07	202.70	11.00	3.00
Other financial liabilities	68.99	129.64	0.31	0.40
Provisions	4.62	-	-	-
Total Liabilities	**216.68**	**332.34**	**11.31**	**3.40**
Other equity	(266.54)	(321.59)	89.69	(33.90)
Investments cancelled in pursuance of scheme of Merger	455.02	1.00	160.54	2,691.11
Capital Reserve A/c recognized as on April 1, 2022	**-**	**-**	**-**	**(319.11)**

The debit balance in Statement of Profit and Loss taken over as at April 1, 2022 amounted to ₹621.44 Lakhs.

Consequent to takeover of net assets, cancellation of share capital, Transferee Company has accounted for ₹319.11 Lakhs as debit balance under the head Capital Reserve

The net assets i.e. total assets net of liabilities and reserves/(deficit) taken over as at April 01, 2022 amounted to ₹2,470.17 Lakhs.

The employees of the Transferor Company have been transferred to the Transferree Company on their exisiting terms of employment with the Transferor Company.

The losses of Transferor Company for the year ended March 31, 2023 has also been accounted for in the Statement of Profit and Loss of the Transferee Company amounting to ₹163.87 Lakhs. Accordingly, the profit after tax for the year ended March 31,2023 is lower by ₹163.87 Lakhs.

Further, Other equity as at March 31, 2023 has been restated from ₹27,867.41 lakhs to ₹26,763.31 lakhs.

43. As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its

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for the year ended March 31, 2024

books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses SAP S/4 HANA as its accounting software operated for recording all the accounting transactions for the year ended March 31, 2024. SAP S/4 HANA has a feature of recording audit trail (edit log) facility which has not been enabled throughout the year.

In respect of maintaining revenue records, the Company has used revenue management software. The said software has a feature of recording audit trail (edit log) facility from July 1, 2023, except the software does not have feature of audit trail at database level.

The Management has adequate internal controls over financial reporting which were operating effectively for the year ended March 31, 2024. The Management is in the process of evaluating the options to ensure compliance with the requirements of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 referred above in respect of audit trail (edit log).

44. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

₹ In lakhs

	March31, 2024	March31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	349.53	406.28
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accountingyear; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprisefor the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

45. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

46. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

47. Other Statutory Information

(i). The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

(ii). The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(iii). The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(iv). The Company has not entered into any transaction with companies struck off.

(v). The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(vi). The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii). During the year, the Company has received approval from NCLT in terms of section 230 to 232 of the Companies Act, 2013 and accordingly, the prescribed disclosures of Schedule III has been given. Refer note 42.

(viii). The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or,

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Company have not received any funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or,

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

48. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification.

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Sd/-	Sd/-	Sd/-
Patanjali Govind Keswani	**Kapil Sharma**	**Jyoti Verma**
(Chairman & Managing Director)	(Chief Financial Officer)	(Group Company Secretary)
DIN-00002974		Mem. no. - F7210
Place: Gurugram	Place: Mumbai	
Date: May 29, 2024	Date: May 29, 2024	

LEMON TREE HOTELS LIMITED

REGISTERED & CORPORATE OFFICE
Asset No.6, Aerocity Hospitality District, New Delhi-110037, India

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