Lemon Tree Hotels Limited

Integrated Report 2021-22

AHEAD *with* AGILITY

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

Key Highlights FY22

₹ 416.30 CR
Total Revenue

₹ 147.90 CR
EBITDA*

35.50%
EBITDA margin*

1.21
Debt-Equity Ratio

15.25%
Renewable energy in the electricity mix in FY22

13%
Opportunity Deprived Indians (ODIs) employed in FY22

100%
Operations audited (internally) for cases of corruption and bribery

37.80%
Reduction in normalised water withdrawal intensity per total floor area since FY19

13.95%
Reduction in normalised emissions intensity per occupied room since FY19

*EBITDA/EBITDA margin% is adjusted for Stamp Duty expense of ₹ 15.3 crore

Contents

Report Profile

About the Report

Welcome to Lemon Tree Hotels (LTH) Integrated Report 2021-22 where we present to you both our financial and non-financial performance. This year onwards, our ESG efforts and the performance and progress on our ESG Vision 2026 will be covered within this Integrated Report. The report also showcases our commitment to Sustainable Development Goals (SDGs).

SCOPE AND BOUNDARY

The boundary of this report covers 41 owned/leased hotels of LTH and its subsidiaries across 23 cities.

REPORTING PERIOD

This report is for the period from 1st April 2021 to 31st March 2022 and will be released annually henceforth. The last Annual Report and ESG Report was released separately for FY21 .

FRAMEWORKS, GUIDELINES AND STANDARDS

The report has been prepared in accordance with the International Framework published by the Value Reporting Foundation, erstwhile International Integrated Reporting Council (IIRC). Also, this report has been prepared in accordance with the GRI Standards: Core option. The GRI Content Index is available as part of this report.

This report aligns 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
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

DATA INTEGRITY

We have collected and analysed relevant data to support our disclosures for this Integrated Report. We exercise strict internal controls to provide information that is accurate and reliable, and at the same time unbiased, comparable, and comprehensible. Wherever applicable, we have taken care to cite any significant limitations in the information.

PRECAUTIONARY APPROACH

We follow a precautionary approach towards minimising the impact of our operations on the environment. We regularly review environment, health and safety (EHS) performance of our hotels to address impacts and minimise the same.

EXTERNAL ASSURANCE

This report has been independently assured by Felix Advisory Private Limited as per the GRI Standard and the requirements of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants in the role as independent auditors. Their statement is available as part of the report. The information on Business Performance is derived from our audited financial statements for FY22.

FEEDBACK

Any queries on this report may please be sent by email to ESG@lemontreehotels.com.

REGISTERED OFFICE

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T +91 11 4605 0101
E hi@lemontreehotels.com
CIN No. L74899DL1992PLC049022

Ahead *with* Agility

Over the last two years, we have focused on cost rationalisation and achieving a healthy balance sheet. We have aggressively grown our managed hotels portfolio in order to remain agile and leverage the Lemon Tree brand. With market demand expected to reach (normalised) pre-COVID levels by H1 FY23, we are well positioned to deliver strong performance with a reduced cost structure and improved pricing. As the world reopens, travel has returned albeit in a slightly altered form. The resumption of 'normal' now includes 'work from anywhere' signalling a reorganisation of traditional customer segments for the hospitality business.

Our strong presence in the mid-market segment and the delivery of freshness/hygiene, comfort and competitive pricing have helped our brands remain leaders. New developments within the hospitality sector are underway to transform how hotels are designed and operated, and how business can be monetised. A greater use of technology, modular room formats, additional revenue streams all carry undiscovered potential. LTH is embracing this change and is confident of staying ahead with agility.

LTH - At a Glance

Uncovering the mid-market potential

Lemon Tree is India's largest mid-market hotel chain with 7 brands and 87 properties across 54 destinations and 8,489 rooms in India and South Asia. As a homegrown brand, we have achieved scale through a combination of organic and inorganic growth.

Since 2004, LTH has grown from being a single brand with just 49 rooms to its current presence across India and abroad. We have built the sixth largest inventory in India across owned, leased and managed hotels to cater to leisure and business travellers. In November 2019, we acquired the Keys Hotels portfolio to strengthen our geographic spread.

Group inventory (8,489 rooms)*

5,192 Owned/Leased Hotels
3,297 Managed/Franchised Hotels

* As of 31st March 2022

Vision

Lemon Tree Hotels shall be the largest and most preferred Indian chain of upper upscale, 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 every day

Core Values

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

Aurika Hotels & Resorts
Upscale properties that go beyond the unusual

Lemon Tree Premier
Upper midscale hotels with stylish and contemporary interiors

Lemon Tree Hotels
Midscale hotels that are refreshingly different with fresh, vibrant interiors

Red Fox by Lemon Tree Hotels
Economy hotels with fun, bold interiors and crisp and clean rooms. Offer unbeatable value for money

Keys Prima by Lemon Tree Hotels
Upper midscale hotels with stylish features and excellent service

Keys Select by Lemon Tree Hotels
Midscale hotels that offer comfort and convenience

Keys Lite by Lemon Tree Hotels
Economy hotels that offer affordable and stress free accommodation

Our Portfolio

Dynamic options for the new-age Indian

Our seven brands offer multiple options that perfectly cater to key aspects including comfort, superlative experience, convenience and value for money. Catering to both the leisure and the business segments across tier-1 and tier-2 urban centres and tourist destinations, our hotels offer comfort, modern amenities and warm and friendly service, all at unbeatable prices.

Traditionally, we have had a strong presence in the business segment in both southern and northern markets, with hotels operating across several micro markets, particularly in the prime business hubs of Bangalore, Hyderabad and Gurugram where more than 40% of our inventory is located.

FOCUS ON EXPANSIONS AND MANAGEMENT CONTRACTS

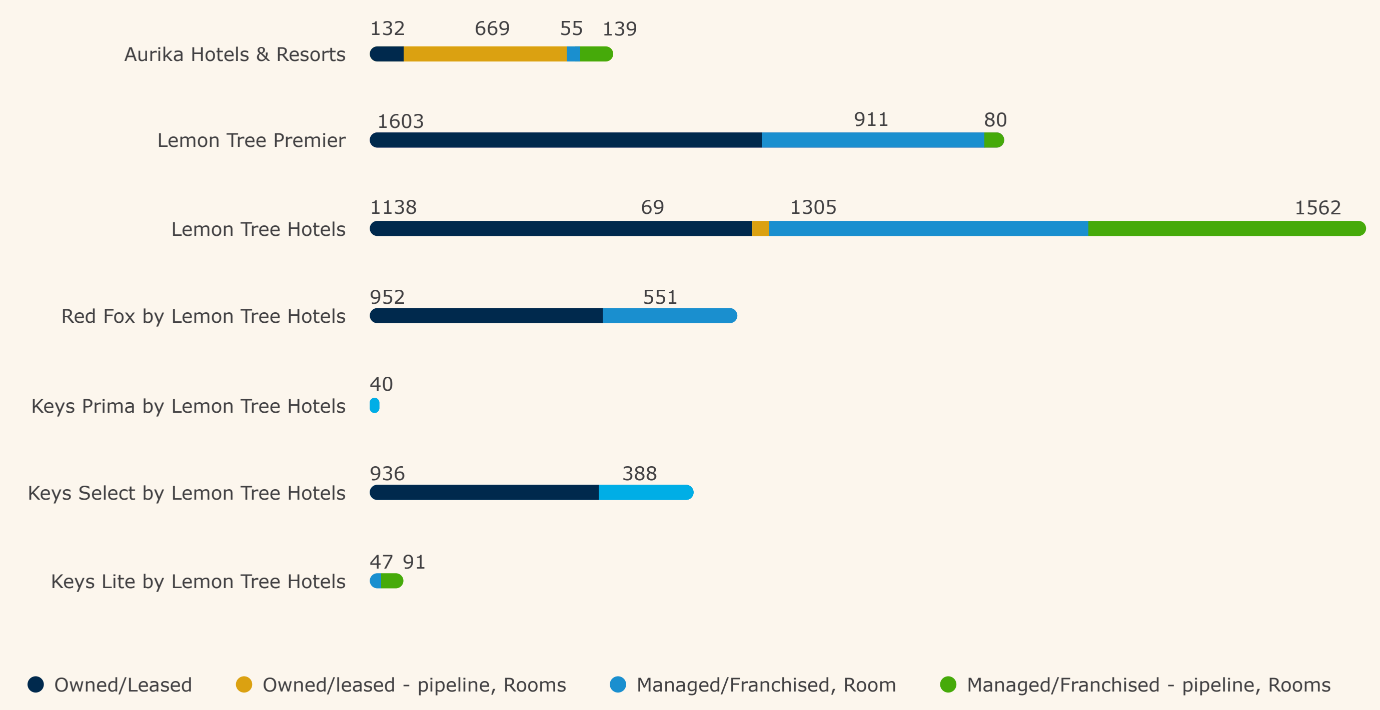
We are now steadily increasing the range of holiday/ staycation properties to keep pace with India's changing demographic. Fast adjusting to the post-pandemic surge towards short-stay leisure travel, and 'work from anywhere' trends, we have has a series of new properties planned in tier-1, tier-2 and tier-3 locations, as airports, road-rail networks and other forms of connectivity keep improving. LTH is also enlarging its presence in the very agile Mumbai market, with 669 rooms, owned Aurika property set to open in FY23 at the Mumbai International Airport.

In keeping with our focus on the midscale and economy segments, we have seen the strongest revival in these two segments. Management contracts offer a very attractive option for inorganic growth, in an asset-light way, in locations where we may have limited to no presence. Our expansion plans include 20 management contracts for 1,441 rooms in the pipeline. Property renovations and modifications were done during the year to prepare for the reviving demand.

OUR FAST-GROWING PORTFOLIO

Owned/Leased		Owned/Leased Pipeline	
41 Hotels	**5,192** Rooms	**2** Hotels	**738** Rooms

Managed/Franchised		Managed/Franchised pipeline		Total by FY25	
46 Hotels	**3,297** Rooms	**20** Hotels	**1,441** Rooms	**109** Hotels	**10,668** Rooms

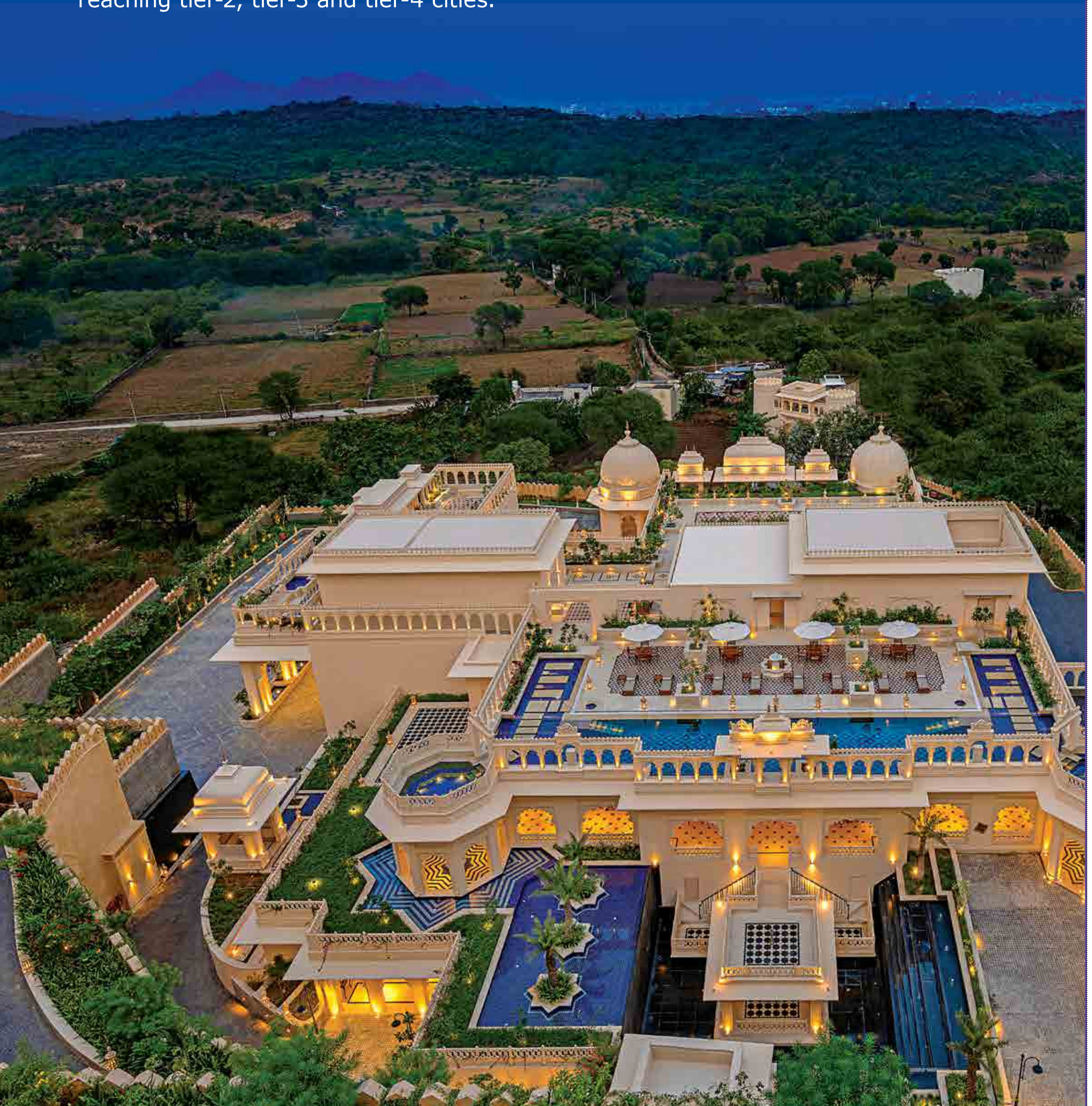


All figures are as of 31st March 2022

Geographic Footprint

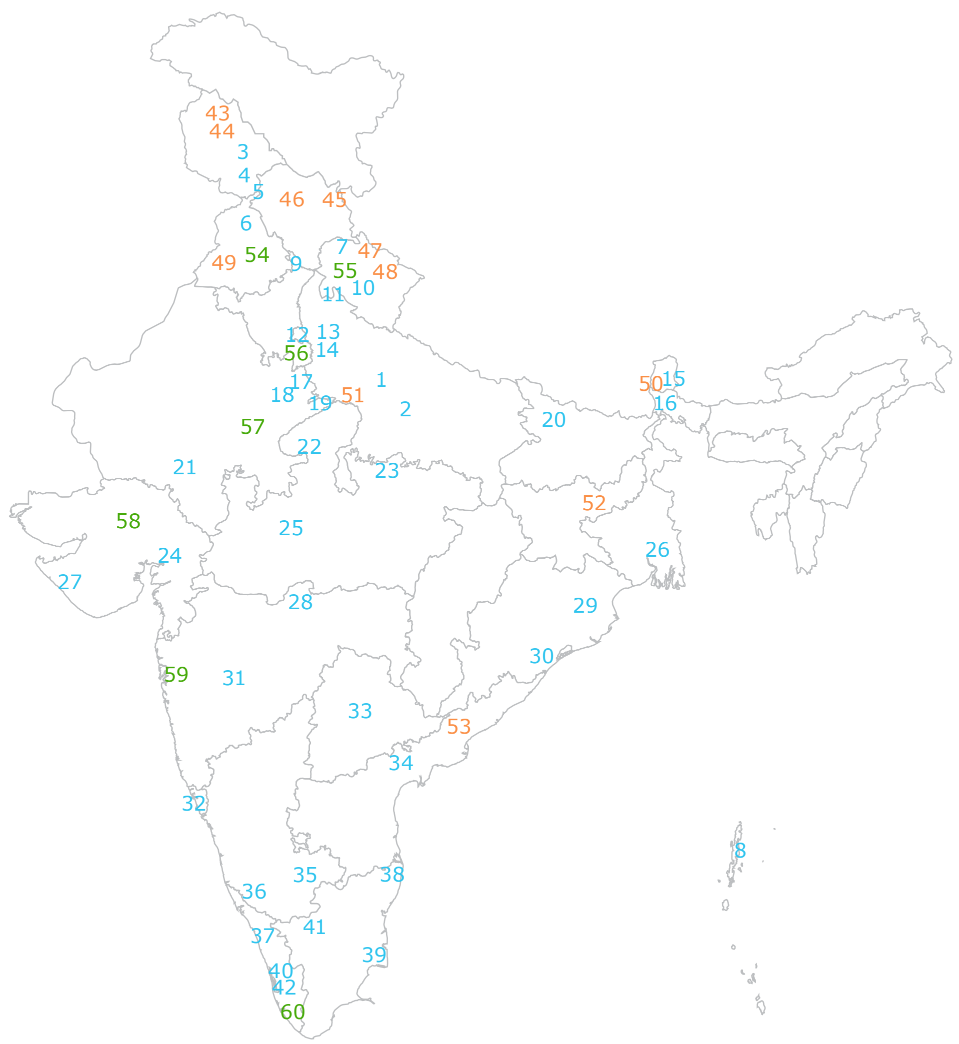
Feeling at home, across India

We are spreading across India at a pace not seen before. As the travel pattern changes with short-stay leisure travel, and 'work from anywhere' trends gaining popularity, we are penetrating deeper into India's hinterland, increasing access to a wide variety of locations and reaching tier-2, tier-3 and tier-4 cities.



Geographic footprint

NATIONAL PRESENCE



INTERNATIONAL DESTINATIONS

United Arab Emirates
Operating Hotels

Dubai

Bhutan
Operating and Upcoming Hotels

Thimpu

Nepal
Upcoming Hotels

Kathmandu
Nagarkot
Biratnagar

Operating Hotels
Upcoming Hotels
Operating Hotels & Upcoming Hotels

1 Aligarh
2 Lucknow
3 Srinagar
4 Katra
5 Jammu
6 Amritsar
7 Dehradun
8 Port Blair
9 Chandigarh
10 Corbett
11 Neelkanth
12 New Delhi
13 Gaziabad
14 Noida
15 Gangtok
16 Siliguri
17 Manesar
18 Bhiwadi
19 Alwar
20 Patna
21 Udaipur
22 Jhansi
23 Bandhavagarh
24 Vadodara
25 Indore
26 Kolkata
27 Dwarka
28 Aurangabad
29 Bhubaneswar
30 Visakhapatnam
31 Pune
32 Goa
33 Hyderabad
34 Vijayawada
35 Bengaluru
36 Coorg
37 Kozhikode
38 Chennai
39 Tiruchirappalli
40 Kochi
41 Coimbatore
42 Alleppey
43 Sonmarg
44 Gulmarg
45 McLeodganj
46 Shimla
47 Mussoorie
48 Mukteshwar
49 Kharar
50 Darjeeling
51 Agra
52 Bokaro
53 Dindi
54 Ludhiana
55 Rishikesh
56 Gurugram
57 Jaipur
58 Ahmedabad
59 Mumbai
60 Thiruvananthapuram

Led by experience and expertise

C M M M C M

Mr. Patanjali Govind Keswani
Chairman & Managing Director

- Bachelor's degree in Electrical Engineering from Indian Institute of Technology, New Delhi
- Postgraduate diploma degree in Management from Indian Institute of Management, Calcutta
- Was a Tata Administrative Services officer and Associated with Taj Group of Hotels for a period of 17 years, including as the Chief Operating Officer, Business Hotels
- Worked with A.T. Kearney Limited, New Delhi as Director

M M M C C

Mr. Pradeep Mathur
Independent Director

- Bachelor's degree in Commerce from the University of Poona
- Postgraduate diploma degree in Management from the Indian Institute of Management, Ahmedabad
- Served as the Global CFO and Senior Vice President of Tupperware Corporation
- Served as the Managing Director for Tupperware, India
- Over 35 years of experience across the fields of accounting, finance, and general management

C M M

Mr. Niten Malhan
Independent Director

- Bachelor's degree in Computer Science & Engineering from Indian Institute of Technology, New Delhi, and Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad
- He is the Founder and managing partner of New Mark Advisors LLP, an investment management firm.
- He was the managing director and co-head of India at Warburg Pincus India Private Limited, a global private equity firm and he worked as director of business development at Stratum 8, a Silicon Valley technology start-up company and an engagement manager
- He is also a Founder and Trustee of Plaksha University and has served as the Vice Chairman of the Indian Private Equity and Venture Capital Association

(C) Chairman (M) Member
- Nomination and Remuneration Committee
- Finance Committee
- Share Allotment Committee
- Audit Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- General Management Committee
- Risk Management Committee

We practice good corporate governance policies that are supported by our robust control systems. Our leadership is driven by a culture of business integrity that creates an equitable, healthy and inclusive environment. This allows both the business and our people to thrive together and create sustainable value for all stakeholders.

M M M

Dr. Arindam Bhattacharya
Independent Director

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

M M

Mr. Ashish Kumar Guha
Independent Director

- Bachelor's degree in Economics from the Jadavpur University in Kolkata and a Leadership programme at the London Business School (Management Development Programme)
- Serves as Advisor & Chairman of Ambit Private Limited
- Served as the Chief Executive Officer (CEO) of Lazard India Limited
- Served as the Chief Executive Officer and Managing Director of Heidelberg Cement
- Over 30 years of experience across the fields of investment banking, advisory and industrial goods

M M C M

Mrs. Freyan Jamshed Desai
Independent Director

- Bachelor's degree in Law from the University of Delhi
- Master's degree in Law from King's College, London
- Served as the General Counsel of the Novartis group of companies in India
- Served as a partner in Amarchand & Mangaldas & Suresh A. Shroff & Co
- Over 30 years of experience across various legal fields

(C) Chairman (M) Member
- Nomination and Remuneration Committee
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- Audit Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- General Management Committee
- Risk Management Committee

Board of Directors

M M C M C M

Mr. Paramartha Saikia
Independent Director

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

Mr. Arvind Singhania
Independent Director

- Promoter and Chairman & Managing Director of Ester Industries Limited
- Serves as the Chairman and Chief Executive Officer of Ester Industries Limited
- Over 30 years of experience across the fields of production, supply chain and people management

M

Mr. Willem Albertus Hazeleger
Director

- Executive Master's degree in Business Administration from the Institut Europe´en d'Administration des Affaires (INSEAD)
- Executive Master's degree in business administration from the Tsinghua University
- Serves as the Chief Executive Officer (CEO) of APG Investments Asia Limited, the Hong Kong subsidiary of the APG Asset Management N.V
- Experience in the field of Investment Management

(C) Chairman (M) Member

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

M M

Mr. Aditya Madhav Keswani
Director

- He holds a bachelor's degree in Arts from the New York University.
- He joined as a Non-Executive Director on our Board on June 17, 2015.

LTH

78.18%
Average board attendance

4.06 years
Average tenure of Board members

1
Woman Director

20
Board committee meetings held during FY22

5
Board meetings held during FY22

7/10
Independent Directors on the Board

Note: The details of Board of Directors are as of close of business hours on 31st March 2022

(C) Chairman (M) Member

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

Management Team

Shaping our business

Mr. Davander Tomar
EVP - Corporate Affairs

- Bachelor's degree in Commerce and law from the University of Delhi
- Master's degree in Arts from the University of Delhi
- Worked in Taj Group of Hotels for 18 years; last role as the Security Manager for Taj Palace Hotel, New Delhi
- Over 37 years of experience in the hospitality industry
- Been with LTH for over 15 years

M

Mr. Kapil Sharma
Chief Financial Officer

- Bachelor's degree in Commerce from the University of Delhi
- Qualified chartered accountant
- Worked in: Leroy Somer & Controls India Private Limited; Last role as the Head of finance and accounts for Leroy Somer & Controls
- Over 24 years of experience across the fields of accounting, financing and investing
- Been with LTH for over 15 years

Mr. Jagdish Kumar Chawla
EVP - Projects & Engineering Services

- Diploma degree in Electrical Engineering from Pusa Polytechnic, Pusa, New Delhi
- Worked in: Taj Group of Hotels for 20 years; Last role as the Chief Engineer for Taj Palace Hotel, New Delhi
- Worked in: National Thermal Power Corporation, Bharti Electric Steel Company Limited and Mother Dairy in key managerial positions
- Over 40 years of experience across the fields of engineering, constructions and operations
- Been with LTH for over 15 years

M

Mr. Vikramjit Singh
President

- Bachelor's degree in commerce from Sri Ram College of Commerce, University of Delhi
- Advance Management Program from Harvard
- Postgraduate diploma degree in Hotel Management and Administration from the Taj Group of Hotels
- Served as Founder & CEO of a boutique hotel in Assam
- Over 23 years of experience in the hospitality industry
- Been with LTH for over 13 years

Ms. Aradhana Lal
Senior Vice President - Sustainability & ESG

- B. Com (Hons) from Lady Shri Ram College, Delhi University
- Masters in Business Administration from Indian Institute of Management, Ahmedabad
- Worked with The Taj Group of Hotels, Hindustan Unilever and Lemon Tree Hotels
- Over 27 years of experience in Sales, Marketing, Corporate Communications and Sustainability
- TedX speaker
- Been with LTH for over 19 years

Mr. Nikhil Sethi
AVP Legal & Group Company Secretary and Compliance Officer

- Bachelor's degree in Commerce from University of Delhi
- Law Graduate from University of Delhi
- Company Secretary from Institute of Company Secretaries of India (ICSI)
- Over 15 years of experience in legal and secretarial services
- Been with LTH for over 5 years

C Chairman M Member

- Nomination and Remuneration Committee
- Finance Committee
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- Audit Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- General Management Committee
- Risk Management Committee

C Chairman M Member

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Chairman's Message

Recasting the past, reshaping the future

Dear Shareholders,

It gives me great pleasure to present to you the first Integrated Report of Lemon Tree Hotels (LTH). In an effort to be future-ready, we have been building on a key strategic aspect of our company – our ESG approach. Sustainable management of resources as well as transparent and responsible management processes are crucial for the success of businesses in the future. We have already made a great beginning and are happy to share our progress in FY22 with you through this Integrated Report.

The hospitality sector is making a strong comeback

After two years of the pandemic and the resulting downturn, occupancy levels in March 2022 nearly recovered to pre-pandemic levels and the Average Room Rate (ARR) saw an uptick despite the 3rd wave of CoVID in Q4 FY22. LTH focused on improving revenue while tightly controlling costs, thereby expanding profitability. Consumer preference for high hygiene standards has led to a clear shift from unbranded to branded hotels. While leisure travel recovered first, business travel is showing signs of getting back to normal with sectors like IT resuming work from office. Today occupancy is closer to pre-COVID levels and ARR is expected to 'normalise' during FY23.

> As we emerge out of two difficult years, our focus remains firmly on variablising our fixed costs together with a recovery in occupancy and in ARR, so that we can run a leaner and more agile operating model. During the year, we successfully turned the corner as revenue from operations increased by 60%. Our strategy of going asset-light, that is, managed/franchised/manchised hotels has served us well and this year our total revenue from managed hotels increased by 128%.

Boosting growth through expansion, variabilized costs and a lean operating model

This year had its fair share of reversals and new beginnings. With a comprehensive vaccination program me and the dwindling impact of COVID waves, we saw a revival in destination weddings, staycations and to some extent in Meeting, Incentives, Conferences and Exhibitions (MICE) demand. Corporate travel is being redefined and will build back to a new level of demand in FY23 and beyond. LTH now focuses on the retail segment i.e. those who book directly (and not through a company or travel agent) based on a few important criteria, including location, hygiene and safety, pricing and more.

During the 2nd wave in Q1 FY22, demand for hotel rooms came to a sharp halt. We sought alternate demand and functioned as a surrogate medicare facility through our tie-ups with hospitals and with corporates to cater to quarantine requirements for mild and asymptomatic cases. Such arrangements also helped the nation tide over the oxygen crisis, particularly in cities with very high caseloads.

Our agility in making the best of a difficult situation led to a recovery of some of our fixed costs through these bulk bookings.

As we emerge out of two difficult years, our focus remains firmly on variablising our fixed costs together with a recovery in occupancy and in ARR, so that we can run a leaner and more agile operating model. During the year, we successfully turned the corner as revenue from operations increased by 60% from ₹ 251.7 crore for FY21 to ₹ 402.2 crore for FY22. This revenue recovery was driven by a growth in ARR, which increased by 32.2% YoY. Our strategy of going asset-light i.e. managed/franchised/manchised hotels has served us well and this year our total revenue from managed hotels increased by 128% from ₹ 7.7 crore in FY21 to ₹ 17.6 crore in FY22. Over the next few years, we will continue to focus on expanding our presence across India and addressing demand across the upper upscale, upscale, midscale and economy segments - through our portfolio of seven brands.

Chairman's Message

"Increased domestic leisure travel, staycations, work-from-anywhere, road tripping, fast growing demand from tier-2, tier-3 and tier-4 locations are new realities that demand a recast of the business model."

32.2%

YoY improvement in ARR leading to higher flow through to EBITDA

Evolution of consumer preferences

The return to 'normalcy' that is underway brings with it changed consumer preferences that are an outcome of the lockdown and its associated uncertainties. Increased domestic leisure travel, staycations, work-from-anywhere, road tripping, fast growing demand from tier-2, tier-3 and tier-4 locations are new realities that demand a recast of the business model. Our asset-light growth strategy is helping us straddle both worlds, through greater presence in traditional growth centres where we want to have a multi-brand presence, as well as in emerging cities and towns that are relevant either as a business hub, a religious destination or a leisure location. In FY22, we opened four new properties at Bhubaneshwar, Dehradun, Neelkanth and Coorg.

Despite a slowdown over two years, we focused on expansion through hotel openings and signing of management agreements. As of 31st March 2022, our management contract pipeline, with openings till FY25, stands at 1,441 rooms. Our operational inventory as on 31st March 2022 comprises 87 hotels and 8,489 rooms, of which 4,517 are owned, 675 are leased and 3,297 are on management contract. When the current pipeline becomes operational by FY25, we will operate ~10,700 rooms in 109 hotels across 65 destinations.

Integrating sustainability into hotel operations, for a more impactful future

Under Vision 2026, we aim to achieve:

- 15% reduction in energy consumption (intensity based)
- 50% of our energy needs to be fulfilled through renewable energy sources
- 40% reduction in GHG emissions (intensity based)
- 10% reduction in water consumption (intensity based)
- 100% certification of our hotels as green buildings (Indian Green Building Council certification)
- 30% Opportunity Deprived Indians (ODIs) i.e. our Employees with Disability and Employees from Economically and Socially marginalised backgrounds
- 15% women in the workforce

"With occupancy expected to return to pre-COVID levels of 70%+ by mid FY23 and with rapid expansion underway in the industry, we are now at the cusp of the next upward cycle. The increasing traction in corporate travel will benefit us to a great extent. We expect to deliver strong growth in revenue and a significant net EBITDA margin expansion on the back of improved ARRs, higher occupancy and favourable cost dynamics."

With a detailed sustainability strategy and an ESG taskforce in place, we are confident of making significant progress each year and creating measurable impact. Our (hotel) buildings are designed as per green building specifications and we have adopted innovative approaches to reduce our resource usage and consequently our carbon footprint. We have been monitoring our Scope 1 and 2 emissions on an organisation-wide basis and in the current fiscal over 15% of our total electricity consumption was fulfilled by renewables.

Lean, excellence driven and more productive: Our distinctive workforce

The hospitality industry is a people-intensive business and we have always promoted a flat organisation with very few layers separating the junior-most employee from higher management. This helps build a culture of closeness, informality and creativity. Our ODI initiative drives the inclusion of opportunity deprived people into our daily operations, thereby demonstrating new opportunities and impact.

Future outlook

With occupancy expected to return to pre-COVID levels of 70%+ by mid FY23 and with rapid expansion underway in the industry, we are now at the cusp of the next upward cycle. The increasing traction in corporate travel will benefit us to a great extent as more than 85% of our inventory is in business hotels. Consequently, we expect to deliver strong growth in revenue and a significant net EBITDA margin expansion on the back of improved ARRs, higher occupancy and favourable cost dynamics. The opening of Aurika, Mumbai in CY23 will further drive our performance.

As an Indian brand we are proud of our journey over two decades and we can see an exciting road ahead. We feel our deep-rooted Indian ethos uniquely qualifies us to serve the needs of a growing population of travellers who are financially able, no longer restricted to metro limits and aspire for the better things in life.

With warms regards,

Patanjali Govind Keswani
Chairman and Managing Director

Operational Performance

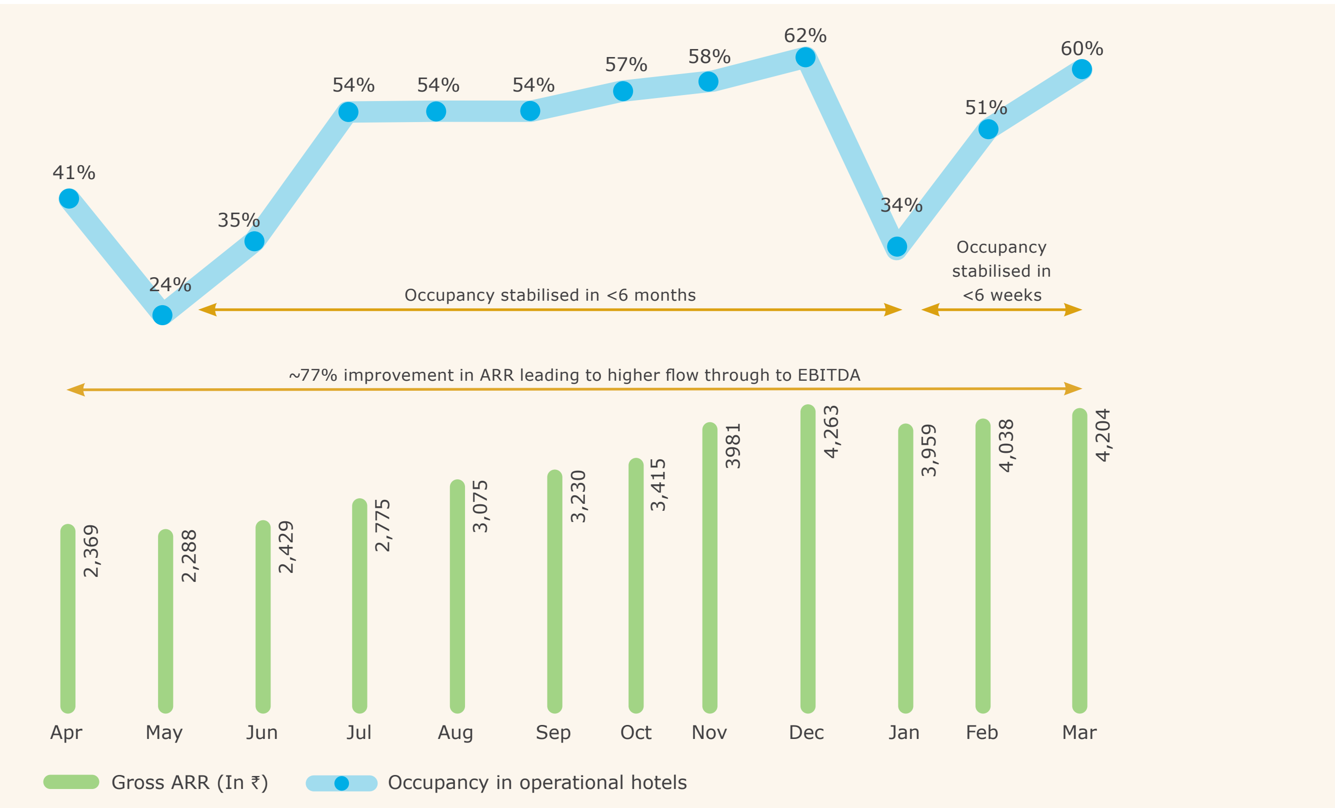
On the road to revival

FY22 has been a year of resurgence after the economic recession of FY21. However, the impact on the hospitality sector has been profound and business has not fully recovered yet. Industry occupancy rates have ranged between 15%-45%. LTH has shown great resilience with occupancies ranging from 34% during the third wave of COVID to 60% in March 2022.

As COVID took its toll on the world, business travel came to a standstill. Consequently, we faced a sharp decline in performance during the year due to most of our hotels being in business hubs across the country. In FY22, while our focused effort on ARR recovery continued together with cost optimisation efforts to drive our operational performance, we were able to abate some of the consequences. The fiscal began with a slow increase in occupancy, followed by a fluctuating trend line as the second and third waves of the pandemic took place. We were able to hold up revenues through innovative moves like tying up with hospitals and companies to use our inventory as isolation centres, till the severity of the pandemic abated. The months of July to December 2021 saw a steady uptick but that was short lived. January 2022 saw a sharp decline in occupancy due to the third wave, but our learning from earlier months (keeping ARR constant) helped us stabilise again promptly when there was a resurgence in demand. We achieved an overall ARR improvement of 77% over the year with occupancy stabilising at 60%+.

FY22 month-on-month occupancy-ARR trend

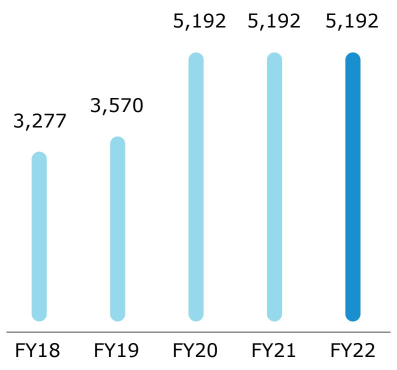
Following an expected steep drop in January 2022 due to reports of new infections, February 2022 and March 2022 showed recovery with March 2022 equivalent ~60% occupancy



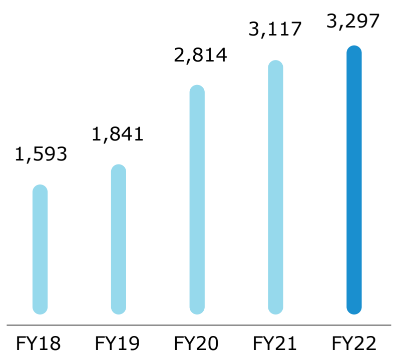
Key Operational Metrics

Inventory

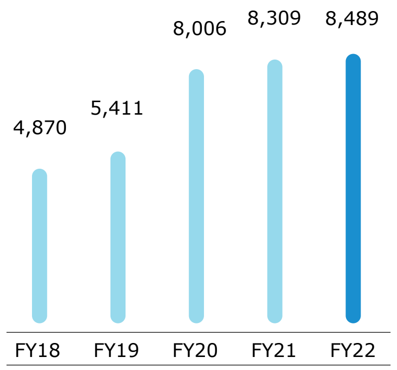
Owned/Leased Rooms



Managed/Franchised Rooms

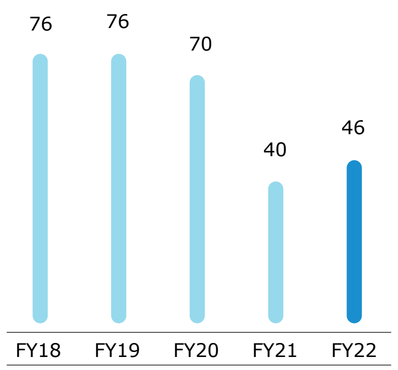


Total Rooms



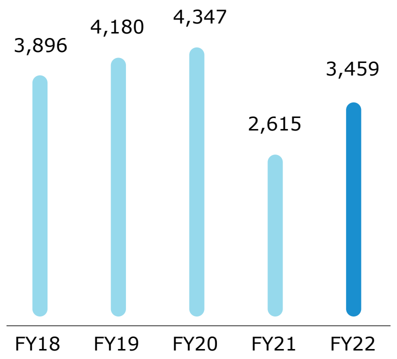
Occupancy Rate*

(%)



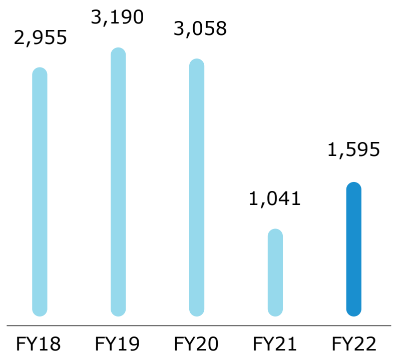
Average Room Rate*

(In ₹)



RevPAR*

(In ₹)



*owned hotels only

Financial Performance

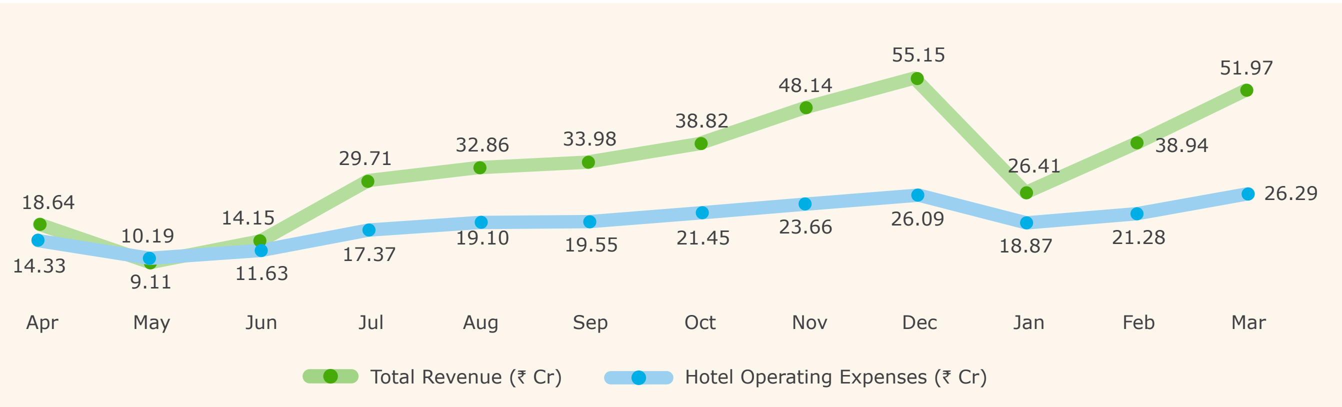
Agility for consistent performance

Due to the pandemic, LTH has incurred losses for two years. However, we are now closing the gap and are on the fast track towards profitability with income having increased by 57% YoY and a very strong surge of 99% in EBITDA during the year. Our key focus now is on strengthening our financial position.

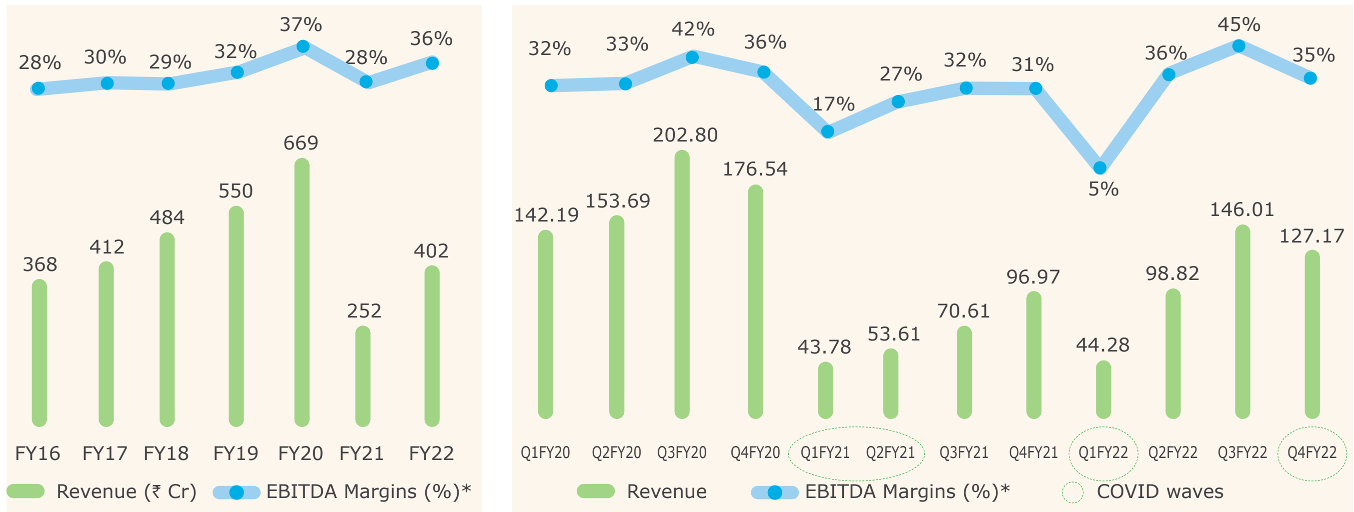
The recovery in ARRs during the year coupled with higher occupancy levels, barring the lower occupancy witnessed during the 2nd and 3rd wave, translated into improved EBITDA margins for the company as revenues once again started to outpace expenses.

FY22 REVENUE AND EXPENSE TREND

Improving Operating Efficiency and Superior Recovery



EBITDA Margin Expansion driven by permanent cost rationalisation

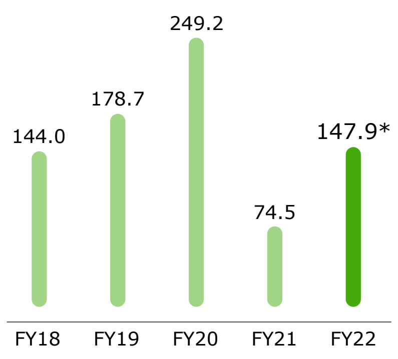


On like-to-like revenue basis, EBIDTA margin % has expanded by ~1,200 bps (44.9% in Q3FY22 vs 32.4% in Q1FY20)
*EBITDA/EBITDA Margin% is adjusted for Stamp Duty expense of ₹ 15.3 crore for FY22

KEY FINANCIAL METRICS

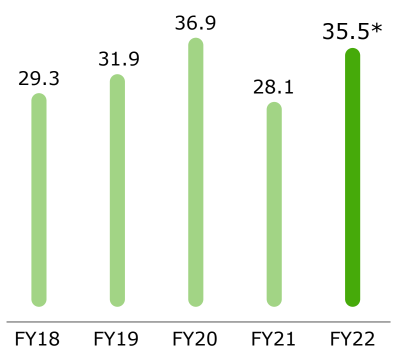
EBITDA

(₹ in crore)



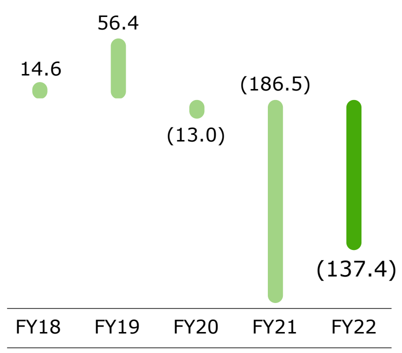
EBITDA Margin

(%)



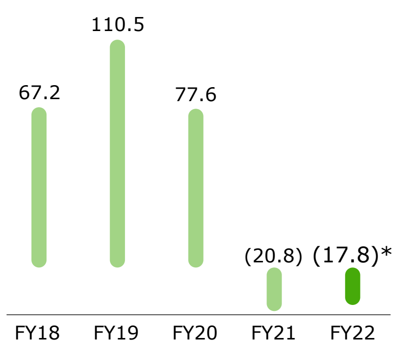
Profit after tax

(₹ in crore)



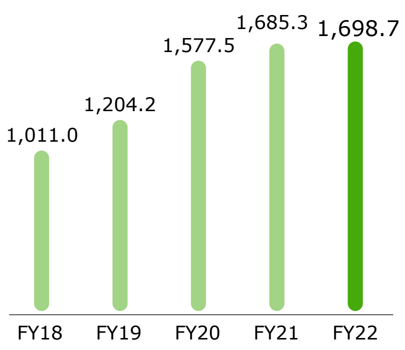
Cash profit

(₹ in crore)



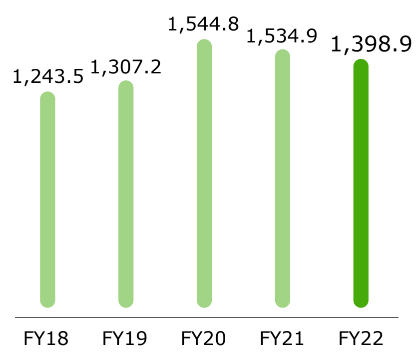
Total debt

(₹ in crore)



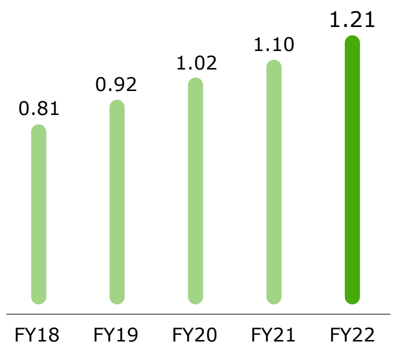
Net worth

(₹ in crore)



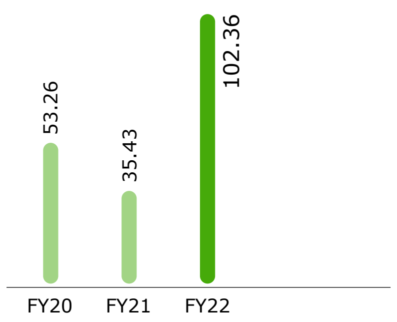
Debt to equity ratio

(₹ in crore)



Tax paid details

(₹ in crore)



Economic value distributed

(₹ in crore)

	FY20	FY21	FY22
Payments to government	4.25	4.68	12.55
Suppliers	460.74	210.73	257.89
Employees	155.32	70.39	97.32
Community	0.00	0.93	0.44

*EBITDA, EBITDA Margin % and Cash Profit is adjusted for Stamp Duty Expense of ₹ 15.3 Crore for FY22

How we create value

A strong business model supports LTH's core strategy of delivering profitable growth while creating positive impact on the environment and community. We aim to create sustained value for all stakeholders by working on our material topics, defining and implementing our ESG vision, mitigating risks and identifying opportunities for growth.

Strategic Priorities
PG 26

Value Creation Model
PG 28

Operating Environment
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Stakeholder Engagement
PG 32

Materiality Assessment
PG 36

Strategic Priorities

A differentiated suit of offerings

Growth

Approach	Progress this year	Capitals impacted
1. Launch new hotels in tier-1/2/3 cities 2. Focus on the revenue and profitability from and new acquisitions	The **managed inventory** increased by 6% to about 3,300 rooms and total inventory by 2% to 8,489 rooms. We are enlarging our presence in the Mumbai market, with a 669 room, owned Aurika property set to open in CY23 at Mumbai International Airport. As on 31st March 2022, we had 22 hotels with 2,179 rooms in the pipeline, including 1,441 rooms under management contracts, which will take the total to 10,668 rooms in 109 hotels across 65 destinations by FY25. In the last two years, we had a sequential focus on cost rationalisation and on ARR recovery, on a like-to-like basis. The EBITDA* margin percentage has expanded by 741 bps to 35.5% in FY22 versus 28.1% in FY21.	Intellectual Social & Relationship Financial

Strengthening Balance Sheet

Approach	Progress this year	Capitals impacted
1. Strategic capex deployment to increase efficiencies and higher RoE 2. Our key priority continues to be the strengthening of our financial position by reducing debt and increasing cash flows	Capex of ₹ 52.8 crore was spent on Aurika MIAL and LT Shimla Debt to equity ratio of 1.21 in FY22 vs 1.1 in FY21 despite Capex and PAT loss In FY22 our cash loss reduced to ₹ 17.8 crore from ₹ 20.8 crore in FY21 Our average cost of borrowings has been lowered by 28 bps from 8.28% to 8% during the year Net Debt to EBTIDA ratio* has improved from 20.7 in FY21 to 11.1 in FY22	Financial Manufactured

*EBITDA/EBITDA Margin% is adjusted for Stamp Duty expense of ₹ 15.3 crore for FY22

Our strategic priorities focus on building a sustainable competitive advantage for LTH within the industry and on delivering consistently high returns.

Future-ready

Approach	Progress this year	Capitals impacted
1. Digital transformation for better reach, superior customer experience and higher business efficiency 2. Productive workforce by focusing on talent management	The goal is to reach more customers with greater efficacy through the use of technology Enhancing internal processes to increase business efficiencies. There are many software solutions that are already in use, including Protel (hotel operating software), Touche (F&B software), SAP and more. The digital transformation exercise will help LTH align its digital universe so that all the software in use can cohesively interact with each other to produce meaningful data, that aids appropriate decision-making in terms of: Future role of talent management Focus on business and KRA system Training and revitalisation Leadership development	Financial Human Social & Relationship

Accelerating ESG Efforts

Approach	Progress this year	Capitals impacted
Thriving communities and sustainable business growth with least adverse environmental impact. Developed ESG Vision and targets for 2026 with governance structure and implementation plans	**Investments** made towards technology initiatives for energy efficiency **Renewable power** agreements and 270 KW installation of solar power at 4 hotels in Aurangabad, Bengaluru (Electronic City), Indore and Udaipur **Reduced power and water usage** per unit occupancy	Intellectual Natural Financial

Value Creation Model

Value embedded across every level

Input

FINANCIAL CAPITAL
Total Equity: ₹ **1,398.88 CR**

Net Debt: ₹ **1,638.00 CR**

MANUFACTURED CAPITAL
No. of hotels: **41**

Total Gross Asset Base: **41+2** (under construction) [Consolidated]

HUMAN CAPITAL
3,174
Employees

33,454
Training hours (skill development and learning related)

7,543
Employees trained

SOCIAL AND RELATIONSHIPS CAPITAL
Number of suppliers: **15,666**

CSR expenditure: ₹ **43.76 lakh**

INTELLECTUAL CAPITAL
Trademarks registered:
155 brand names/logos

NATURAL CAPITAL
Energy consumption:
107,837.74 GJ

Emission intensity:
0.0701 TCO_2e/m^2

Water consumption:
540,305 KL

VISION
PG 05

MISSION
PG 05

VALUES
PG 05

ESG VISION 2026
PG 40

OPERATING ENVIRONMENT
PG 30

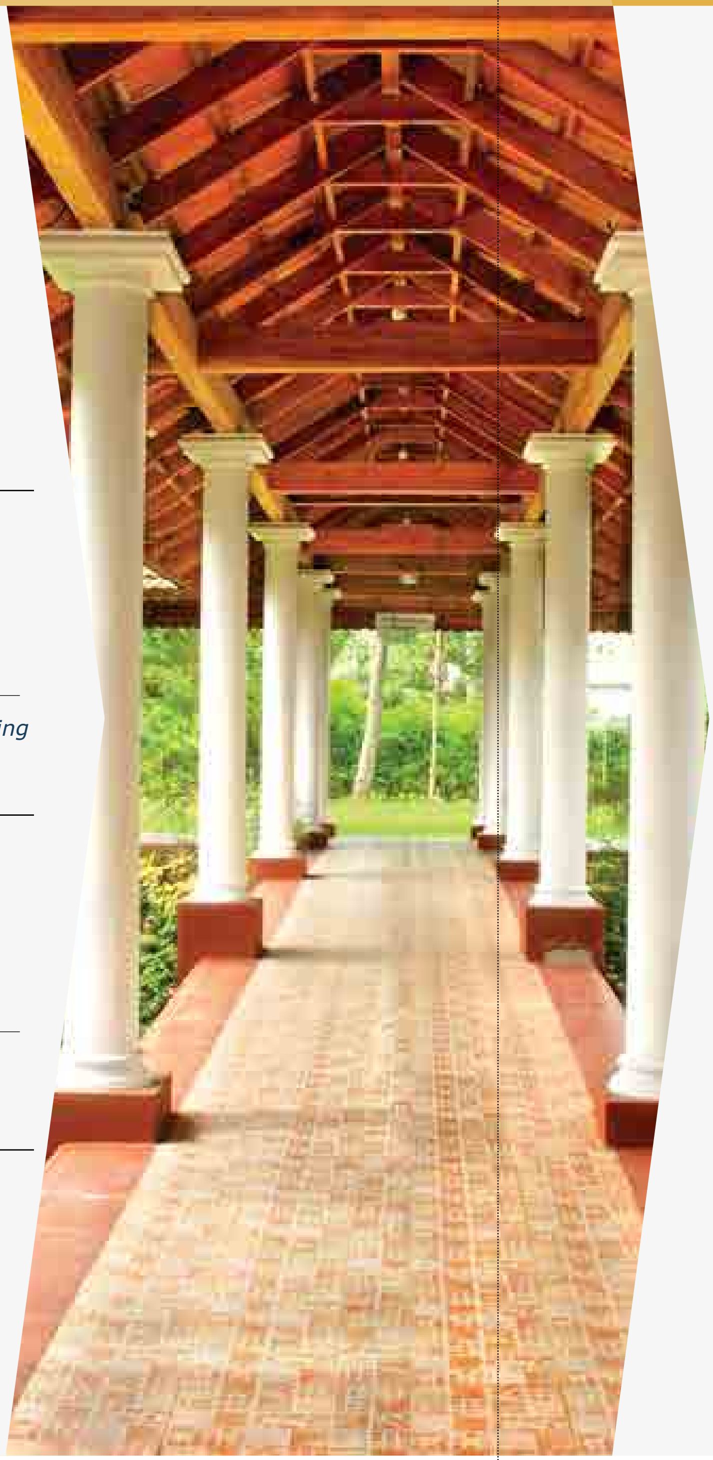
BUSINESS ACTIVITIES

Development of hotels	*Ownership of hotels*
Operations of hotels	*Sales & marketing of hotels*

STRATEGIC PRIORITIES

Cost rationalisation	*Strengthening margins*
Focussed expansions	*Embibing ESG efforts*

RISK MANAGEMENT
PG 104 (MDA)



Outputs

- Enhanced shareholder value
- Delivered profitable and consistent growth

- Provided high quality product and sustainable services and memorable experience
- Significant value to customers

- Strongly committed workforce
- Improved retention
- Recognised as a good place to work by employees

- Improved relationships with customers, business partners and community

- Improved brand value
- Strong transition towards digitalisation

- Enhanced positive impact on the natural environment

Outcome

FINANCIAL CAPITAL
Revenue from operations: ₹ **416.27 CR**
EBITDA*: ₹ **147.90 CR**
Profit after Tax: ₹ **137.40 CR**
RoCE: **0.09%**
Payments to providers of capital: ₹ **180.94 CR**

MANUFACTURED CAPITAL
Best-in-class customer service and higher base of loyal customers
Total number of stays: **6,13,345**

HUMAN CAPITAL
Attrition rate
Men: **54%** Women: **7%**
Employee satisfaction score:
Internal 76.89% and
External (Great Place to Work) 82%
13% Opportunity Deprived Indians (includes Employees with Disability and Employees from Economically/Socially marginalised segments)
Diversity
Men:Women Ratio: **91:9**
15% women in senior management roles

SOCIAL AND RELATIONSHIPS CAPITAL
57% Retail Net Promoter Score (NPS)
Enhanced customer satisfaction score

INTELLECTUAL CAPITAL
Bookings through digital channels:
846.70 Rooms Per Day (RPD) through the brand website and Online Travel Agents (**~40%** of total RPD)

NATURAL CAPITAL
15.25% Share of renewable energy

33% decrease versus FY20 but **25%** increase versus FY21 (COVID year with reduced occupancies and almost nil banquets/restaurant operations)% reduction in emission intensity

26% decrease versus FY20 but **58%** increase versus FY21 (as FY21 was a COVID year with reduced occupancies and almost nil banquets/restaurant operations)% reduction in waste intensity

*EBITDA/EBITDA Margin% is adjusted for Stamp Duty expense of ₹ 15.3 crore for FY22

Operating Environment

Reinventing the sector: Hospitality begins a new journey

Several things have changed for the hospitality sector over the last two years. Many months of complete lockdown tipped the industry over into crisis mode. As heavy losses were incurred, and in some instances there were jobs losses too, hotel companies responded by changing the business model and their way of operating.

The traditionally asset-heavy, capital-intensive industry now needed to innovate and get lighter on its feet. Inventive concepts like contactless service, IoT-led processes, modular room layouts and fixtures are making an entry into the industry.

Another significant aspect of our business has changed – the customer. The conventional buckets of leisure and business have overlapped post the pandemic. Here is an overview of key factors that are likely to reshape the hospitality business.

INCREASE IN STAYCATION, WORKCATION, WEEKEND BREAKS

Working out of an office or a fixed space is now a dated concept. Connectivity came of age during the pandemic and proved that global workforces can 'work' from 'anywhere'. This has resulted in a trend of staycations, workcations, long weekend breaks, WFH and more. The year gone by saw a significant jump in what is still traditionally termed as 'leisure travel' where an individual books the room rather than a corporate or business. As people got tired of being cooped up in their homes during the lockdown, they chose to move out to the open spaces and to 'holiday' destinations, while continuing to work virtually.

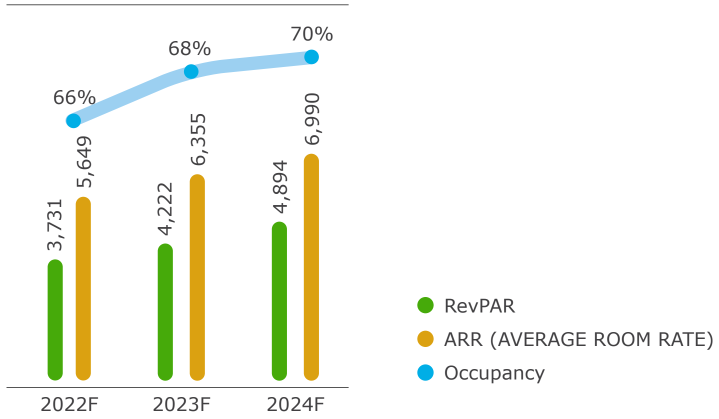
INCREASING ROAD-RAIL NETWORKS, IMPROVING INTERNET CONNECTIVITY MAKES TIER-2 AND TIER-3 DESTINATIONS ATTRACTIVE

Several factors have combined to make Indian roads travel-friendly, thereby increasing the demand for rooms in India's smaller cities and the hinterland. Improvement in the country's road-rail infrastructure, coupled with a significant rise in SUV ownership and the ubiquitous effect of social media influencers have created a desire to explore one's country as more people realise that India has a lot to offer. The pandemic forced the Indian traveller to vacation within the country as travel abroad continued to remain problematic on account of frequent COVID outbreaks and constantly changing visa regulations.

The introduction of 400 new Vande Bharat trains and 25,000 kms of national highway infrastructure will exponentially improve last-mile connectivity. Thus, demand for branded hotels in tier-2 and tier-3 cities is envisaged.

ADVENT OF THE TECHNOLOGY AGE IN HOSPITALITY

With occupancy and ARR expected to return to pre-pandemic levels during FY23, most leading hotel chains are introducing innovations in the operating processes to pare down on operating expenditure (opex) and shore up long-term profitability. With a technology focus already prevalent in other sectors, the Indian hospitality sector is also introducing technologies like artificial intelligence, machine learning, IoT, mobile payments, and data analytics to increase online reservations, better understand guest preferences and make the brand more accessible to customers. These technologies are anticipated to open up significant new markets by reaching new customer segments.

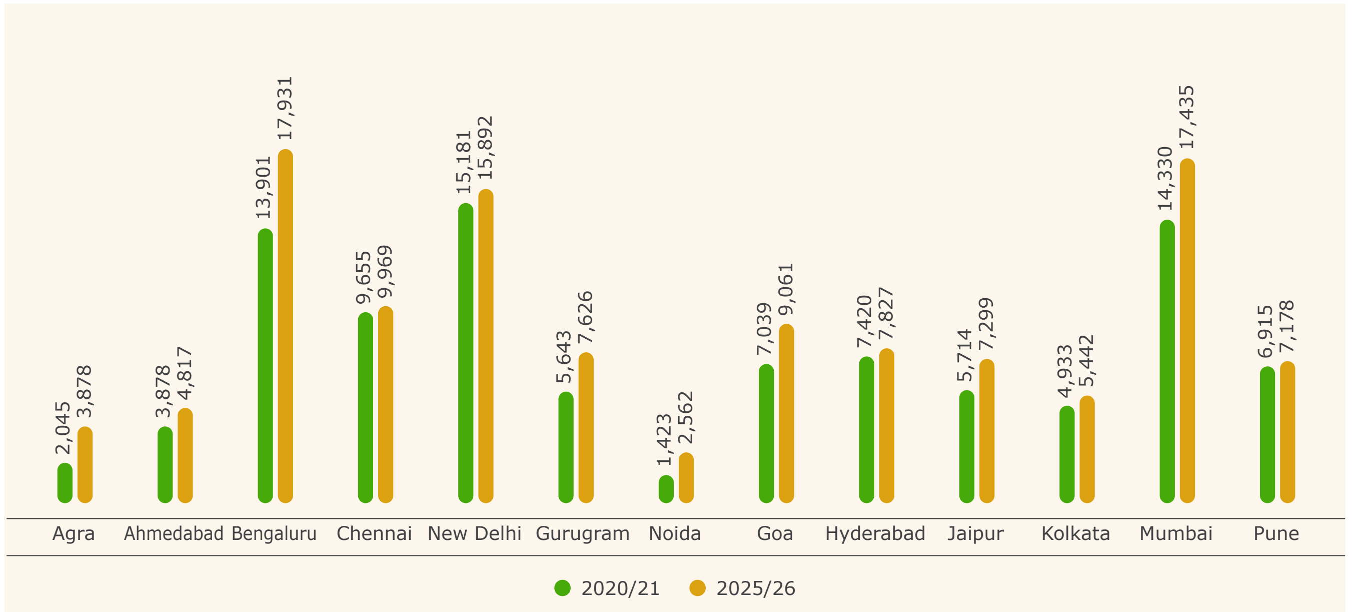


Source: HVS Anarock, The India Hospitality Industry Overview 2021

LAG FACTOR IN ROOM ADDITION CAN CREATE A SUPPLY-DEMAND MISMATCH

Due to the pandemic, the hospitality industry has been running behind its schedule of adding new inventory. While India's bureaucratic processes act as an entry barrier, the likely emerging situation is that the projected growth in demand may very well not keep pace with the actual number of rooms added.

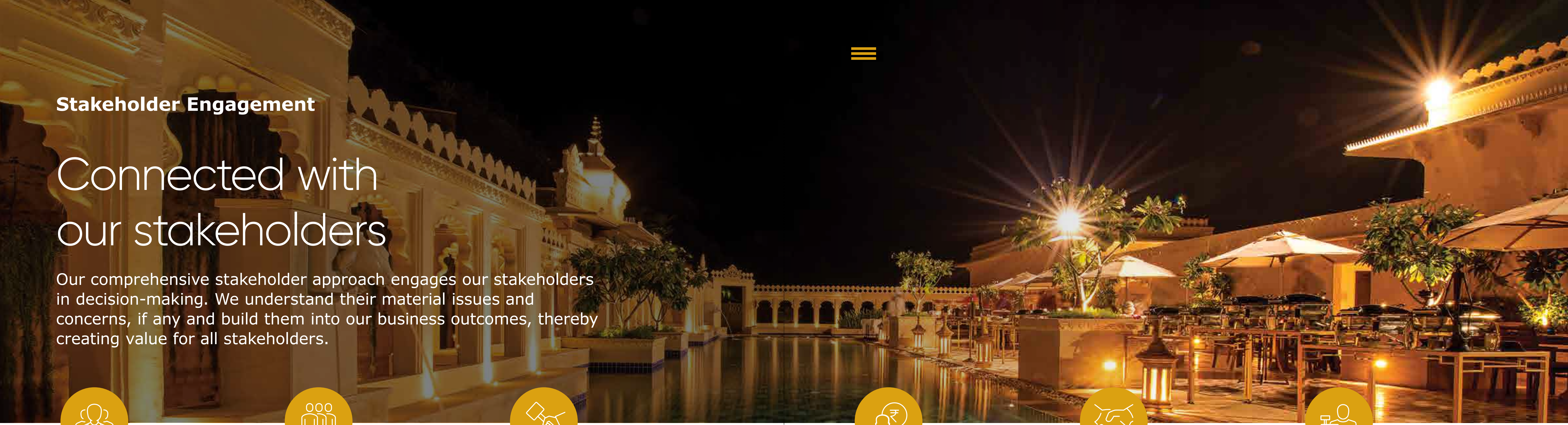
Figure 21: Proposed branded hotel rooms across major cities (2020/21-2025/26*)



*The supply for 2025/26 has been computed by adding active future supply to the existing base of rooms in 2020/21
Source: Industry Sources and Hotelivate Research

As per Hotelivate[1], the last ten years witnessed a year-on-year reduction in proposed supply, with supply shrinking significantly since 2010-11 where the number of proposed rooms totalled 1,02,438. The proposed supply for the last two fiscal years totalled 60,273 rooms. However, the overall Active Development Ratio was 61%, as compared to 74% in 2018. By 2025/26, ~36,599 branded rooms should get added, taking the total supply to 1,80,646. LTH expects this demand-supply gap to result in pricing increases by 5X, as per historical data.

[1]Hotelivate, 2021 Indian Hospitality Trends & Opportunities



Connected with our stakeholders

Our comprehensive stakeholder approach engages our stakeholders in decision-making. We understand their material issues and concerns, if any and build them into our business outcomes, thereby creating value for all stakeholders.

Employees

Why we need to engage
Our employees create guest experiences and ensure that guest expectations are met and exceeded. We rely on exceptional service from our employees to enhance our brand image.

How we engage
- Town halls meetings
- Team-building exercises
- Fresh-eyes discussion
- Weekly engagement chats

Frequency of engagement
- Weekly
- Monthly
- Quarterly
- Annually

Key issues addressed
- Health, Safety and Well Being
- Talent Management and Retention
- Diversity and Inclusion
- Ethics and Transparency
- Energy Management
- Water Management
- Waste Management
- Climate Change

Customers

Why we need to engage
Our customers are key stakeholders who experience our product and service during their stay. Our revenues are directly linked to the trust and relationships that we nurture with our customers. Our brand standards evolve based on our customers ongoing feedback.

How we engage
- 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

Frequency of engagement
- Daily
- Need based

Key issues addressed
- Health, Safety and Well Being
- Data Privacy
- Diversity and Inclusion
- Ethics and Transparency
- Climate Change

Regulatory Bodies and governments

Why we need to engage
Ongoing engagement with regulatory bodies and federal/state/local governments. We seek their support in complying with applicable laws and regulations.

How we engage
- One-on-one meetings
- Government portals and emails

Frequency of engagement
- Quarterly

Key issues addressed
- Regulatory compliance

Investors and Shareholders

Why we need to engage
Our investors and shareholders are interested in the success and sustainability of our business. By providing capital they have set the foundation 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.

How we engage
- Quarterly presentations
- Annual meetings
- Feedback on annual disclosures

Frequency of engagement
- Quarterly
- Need based

Key issues addressed
- Economic Performance
- Diversity and Inclusion
- Energy Management
- Water Management
- Waste Management
- Climate Change
- Customer Satisfaction
- Ethics and Transparency

Owners and Partners

Why we need to engage
Owners/partners who own our managed hotels are also responsible for maintaining our brand standards. The 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 of destinations across the country.

How we engage
- Regular engagement
- Bilateral meetings

Frequency of engagement
- Need based
- Quarterly
- Annually

Key issues addressed
- Economic Performance
- Regulatory Compliance
- Ethics and Transparency
- Diversity and Inclusion
- Energy Management
- Water Management
- Biodiversity Protection
- Waste Management
- Climate Change

Suppliers and Vendors

Why we need to engage
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 and are based on ESG principles.

How we engage
- Informal interactions
- Periodic reviews
- Annual supplier audits

Frequency of engagement
- Annually
- Need based

Key issues addressed
- Sustainable Supply Chain
- Commitment to Human Rights
- Customer Satisfaction

Stakeholder Engagement

Contractors

Why we need to engage
We are also supported by our outsourced workforce, and they help us provide 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.

How we engage
- Informal interactions
- One-on-one meetings
- Periodic reviews

Frequency of engagement
- Annually
- Need based

Key issues addressed
- Health, Safety and Well Being
- Talent Management and Retention
- Diversity and Inclusion
- Ethics and Transparency

Online Travel Agencies (OTA)/Portals

Why we need to engage
Online Travel Agencies support us in customer acquisition along with providing us insights into consumer behaviour and their decision-making criteria. Reviewing customer feedback on their platforms is an important aspect of our business.

How we engage
- Online access to feedback from travellers/guests
- One-on-one meetings with the management of OTA

Frequency of engagement
- Daily
- Need based

Key issues addressed
- Customer Satisfaction
- Ethics and Transparency

NGOs

Why we need to engage
NGOs help us deliver on our commitment of 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 Indians or ODIs). Moving forward, they will play a pivotal role in supporting the design and implementation of our CSR initiatives.

How we engage
- Regular meetings
- Specific engagement events
- Annual reports

Frequency of Engagement
- Annually
- Need based

Key issues addressed
- Diversity and Inclusion
- Local Community Development
- Climate Change

Local Communities

Why we need to engage
We engage with local communities to understand their needs, which helps us deliver greater impact through our CSR support programmes.

How we engage
- Engagement through NGO partners

Frequency of engagement
- Quarterly
- Annually

Key issues addressed
- Diversity and Inclusion
- Skilling/training (Talent Management)
- Local Community Development
- Climate Change

Industry Associations

Why we need to engage
Industry associations serve as a platform for us to understand and impact business trends and opportunities and collaborate with our peers in the travel and tourism industry.

How we engage
- Multilateral meetings

Frequency of engagement
- Annually
- Need based

Key issues addressed
- Ethics and Transparency
- Regulatory Compliance
- Energy Management
- Water Management
- Diversity and Inclusion
- Skilling/training (Talent Management)

Media

Why we need to engage
We leverage our relationship with the media to build our brand. We release press notes for hotel launches, special promotions and offers as well as, ESG initiatives.

How we engage
- Press releases
- Press notes and briefings

Frequency of engagement
- Quarterly
- Annually
- Need based

Key issues addressed
- Footprint Growth
- Customer Satisfaction
- Regulatory Compliance
- Energy Management
- Water Management
- Diversity and Inclusion

LIST OF INDUSTRY ASSOCIATION MEMBERSHIPS

Confederation of Indian Industry

The Federation of Indian Chambers of Commerce and Industry

Hotel Association of India

The Federation of Indian Chambers of Commerce and Industry

Skill Council for Persons with Disability

Tourism and Hospitality Sector Skill Council

Materiality Assessment

Addressing issues with focus

Materiality assessment plays a critical role in identifying the most relevant issues for our stakeholders, which is key to developing our sustainability strategy. We conducted our materiality assessment to assess and align the priorities of our stakeholders, as well as identify issues that are critical for our business.

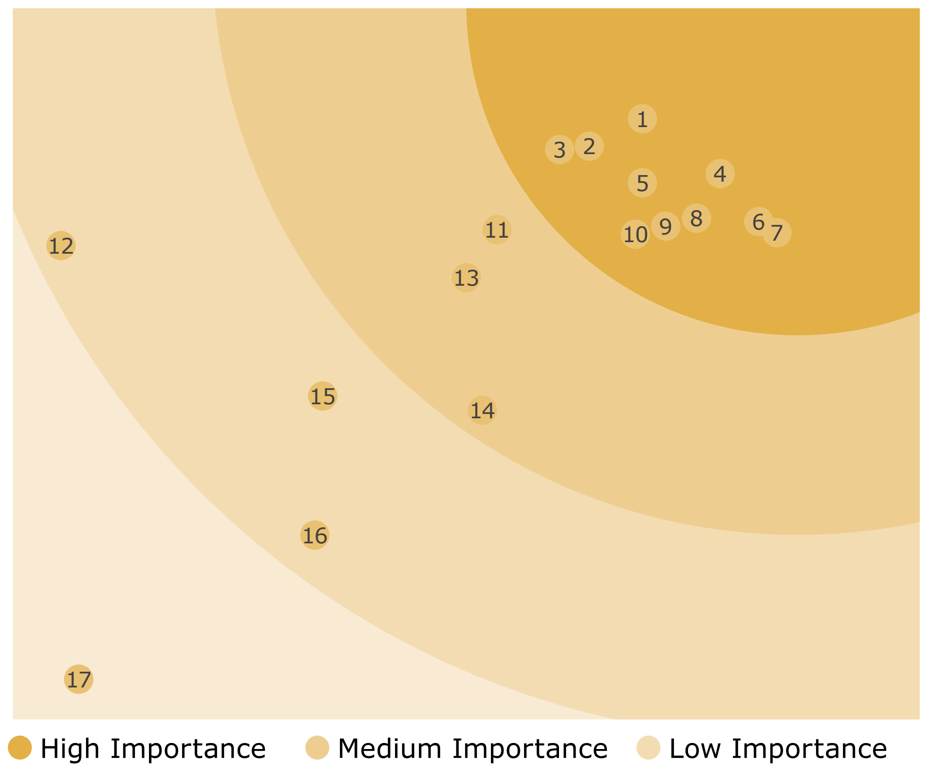
Our materiality assessment was conducted in FY21 in alignment with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) guidelines, using a quadripartite approach to identify material sustainability issues.

IDENTIFICATION	CATEGORISATION	PRIORITISATION	VALIDATION
Prepared comprehensive list of topics based on the GRI and SASB guidelines as well as, peer benchmarking	Categorised each topic into E, S or G to highlight material ESG aspects	Developed materiality matrix and stakeholder priority map based on insights gathered through stakeholder consultations	A leading consulting firm validated the findings to ensure that the assessment reflects a balanced view of the important issues

STAKEHOLDER ENGAGEMENT SURVEY

We engaged with 1,171 stakeholders (internal and external) to prioritise our material topics. This included employees, corporate customers, OTA partners, Board Members, investors, NGO partners, suppliers and LTH's leadership team.

Materiality Matrix



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

Materiality Assessment

Environment

Topic	Impact Boundary	GRI Disclosure
Energy Management	We have implemented several initiatives, including the use of renewable energy (RE) and the adoption of energy-efficient systems across operations.	Energy and Emissions
Water Management	We have implemented several initiatives to reduce our overall water consumption and implemented systems to effectively manage our water footprint.	Water and Effluents
Biodiversity Protection	We strive to support the needs of the regions (where our property is located – 1 owned hotel in Bandhavgarh, 1 managed hotel in Coorg) and work towards restoring and protecting the habitat.	Biodiversity
Waste Management	We have ensured that we limit our waste-to-landfill by recycling on-site organic waste, while also managing our non-organic waste through approved vendors.	Waste and Effluents
Climate Change	With the growing concerns around climate change, we recognise our role in mitigating the impact of our business towards climate change.	Emissions
Talent Management and Retention	We seek our strength from our employees and aim to create a conducive workplace where our employees can thrive and grow.	Employment and Training
Diversity and Inclusion	We continuously work towards creating an equal opportunity workplace for all our employees. Targeting a growth of our ODI employees from 13% in FY22 to 30% in FY26 speaks of our efforts and ambition.	Diversity and Equal Opportunity
Sustainable Supply Chain	We understand that our sustainability initiatives need to be inclusive of our supply chain. A new ESG-focused agreement has been instituted and is in the process of being adopted by our key suppliers.	Procurement Practices; Supplier Social Assessment and Supplier Environmental Assessment

Topic	Impact Boundary	GRI Disclosure
Commitment to Human Rights	As a business that employs people to serve people, respecting human rights is core to our mission. We recognise that the violation of human rights, is a key risk for our business and supply chain.	Human Rights Assessment
Customer Satisfaction	Our customer-centric approach ensures that we regularly conduct satisfaction surveys with our guests to obtain feedback. This enables us to provide customised experiences to our guests and cater sensitively to their requirements.	Stakeholder Engagement; Marketing and Labelling
Health, Safety and Well-Being	We continuously assess and enhance our policies and procedures to ensure the health, safety and well-being of our employees, as well as, of our customers.	Occupational Health and Safety Management System
Local Community Development	Our CSR Board Committee sets the approach and monitors the progress of our community engagement initiatives.	Local Communities
Ethics and Transparency	We conduct our business in an ethical and transparent manner, following our Code of Conduct at all times	Ethics and Integrity; Governance
Regulatory Compliance	All our operational hotels comply with the legal, environmental, and social requirements as prescribed by regulatory bodies.	Environmental Compliance; Socio-economic Compliance
Economic Performance	We aim to deliver stable economic performance and create long-term value for our stakeholders.	Economic Performance
Data Privacy	We constantly strive to implement stringent cybersecurity measures to safeguard customer data and information. In FY23, the data privacy policy is being updated and revised with the help of a leading consulting firm.	Customer Privacy

ESG-focused way of doing business

As a responsible business we strive to positively impact the lives of our employees, community and suppliers and create value for all stakeholders. Our business model incorporates material aspects of ESG and these are practiced at our operating hotels, as well as, under development hotels, throughout the year.

LTH ESG Vision 2026 PG 42
ESG Targets 2026 and Performance PG 44
Environment PG 46
Social PG 58
Governance PG 80

LTH ESG Vision 2026

Strengthening sustainability efforts

We believe that in today's rapidly evolving environment it is critical to address ESG issues to ensure the longevity of an organisation. Our ESG Vision FY26 was developed in FY21 with a view to integrate our sustainability efforts with our business operations. Our aim is to deliver superior business performance while managing our social and environmental impact. We have implemented a well-defined policy framework along with a governance structure to ensure that our focused initiatives create a positive environmental and social impact.

ESG Vision

At the center of our ESG approach is our commitment to creating sustained value. This is across all stakeholders, which includes our shareholders and investors, employees, customers, suppliers, and the society at large.

E Vision

In the area of Environment, we are focused on becoming more energy efficient, adopting renewable energy, mitigating and adapting to climate change, conserving water and reducing waste.

S Vision

In the area of Social, our emphasis is on the development of people, especially creating an inclusive and equal opportunity workplace and empowering local communities.

G Vision

In the area of Governance, our commitment is towards building an ethical and transparent organisation.

ESG Governance Structure

The Board

Sets the vision for meeting the ESG requirements and oversees the effectiveness of ESG strategy implementation

ESG Taskforce

Develops the ESG strategy, policies and practices and makes suitable recommendations to senior leadership for effective implementation

Management

Implements ESG-related initiatives and programmes and monitors and reports ESG performance

Policy Architecture

Embracing Environmental Stewardship

- *Environmental, Social and Governance (ESG) Policy*
- *Environment Policy*
- *Climate Change Policy*
- *Waste Management Policy*

Redefining Social Engagement

- *Diversity and Inclusion Initiative*
- *Growth of Employee Strength*
- *Career Path and Employee Growth*
- *Management of Labor Relations*
- *Policy and Workers' Rights*
- *CSR Policy*
- *Health and Safety Policy*
- *Human Rights Policy*

Providing Effective Governance

- *Nomination and Remuneration Policy*
- *Code of Conduct*
- *Data Privacy Policy*
- *Risk Management Policy*
- *Whistle-blower Policy*
- *Prevention of Sexual Harassment Policy*
- *Anti-bribery and Anti-corruption Policy*
- *Stakeholder Relationship Policy*
- *Supplier Code of Conduct*

ESG Targets 2026 and Performance

Towards a positive impact

Energy

15%
Reduction in Energy Consumption (intensity based) by FY26 over FY19 baseline

17%
Reduction in Energy Consumption (intensity based) in FY22 over FY19 baseline

Renewable Energy

50%
Renewable energy (RE) usage by FY26

15.25%
Renewable energy (RE) usage in FY22

GHG Emissions

40%
Reduction in GHG emissions (intensity based) by FY26 over FY19 baseline

20%
Reduction in GHG emissions (intensity based) in FY22 over FY19 baseline

Water

10%
Reduction in water consumption (intensity based) by FY26 over FY19 baseline

16%
Reduction in water consumption (intensity based) in FY22 over FY19 baseline

Green Buildings

100%
Certified Green Buildings (hotels) by FY26

15%
Certified Green Buildings (hotels) in FY22

Diversity and Inclusion

30%
ODIs in the workforce by FY26

13%
ODIs in the workforce in FY22

Gender Focus

15%
Women across the workforce by FY26

9%
Women across the workforce in FY22

Sustainable Development

₹ 7.20 CR
Investment for Sustainable Development

ESG Approach

Environmental stewardship

We are conscious of the impact of our operations on the environment and are taking proactive measures to manage our environmental footprint. To drive this, we have developed a sustainability strategy that focuses on improving efficiency in the consumption of energy, water and materials.

Material issues

- Energy Management
- Climate change and Emissions
- Water Management
- Waste Management
- Biodiversity

FY22 Key Performance Highlights*

15.25%
Share of renewable energy

29%
YoY increase in energy consumption

25%
YoY increase in GHG emissions

58%
YoY increase in waste

32%
YoY increase in water usage

Our Commitments

Our commitment towards environmental sustainability is threefold.

SUSTAINABILITY DRIVEN GOVERNANCE

We are committed towards evaluating our efforts and improving our processes to ensure we remain on track to achieving our ambitious targets. To that end, we have a dedicated governance structure – our ESG task force – to oversee our ESG strategy, take targeted actions for each material area and track our performance towards our goals.

EFFECTIVE COMMUNICATION

We are committed towards ensuring transparency in reporting and communication. On this account, we have been actively participating in annual GRESB disclosures for seven consecutive years, from FY15 to FY21. To effectively communicate around different facets of sustainability, we present this Report to all our stakeholders for them to understand how we manage our footprint and operations.

GREEN HOTELS

We are committed towards building hotels that offer energy savings, efficient use of water and other natural resources, reduction of carbon dioxide emissions and improvement in environmental quality. Consequently, all our hotels are designed to qualify for the IGBC/LEED Gold Standard.

* **Note:** FY21 was a COVID year with reduced occupancies and almost nil banquets/ restaurant operations. Hence utility consumption in FY22 saw an increase over FY21, despite efficiency measures followed.

ESG Approach

Energy Management

We are committed to reducing our energy consumption and improving energy efficiency through efficient design and technology for air-conditioning, lighting and ventilation at all our hotels. We are also increasing our renewable energy consumption to go green and reduce our reliance on conventional energy sources. We have set the target of reducing our energy intensity by 15% by FY26 as compared to the FY19 baseline, and to increase the share of renewable energy in our portfolio to 50% by FY26.

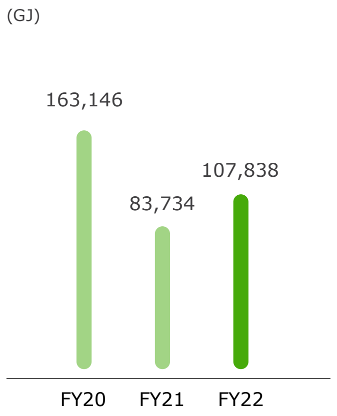
ENERGY CONSUMPTION

In FY22 our specific energy consumption was 107,954 GJ, which is a reduction of 7% as compared to the FY19 baseline. We have implemented energy-efficiency projects this year and plan to enhance them next year.

Fuel-wise energy consumption within the organisation* (in GJ)

Fuel	FY18	FY19	FY20	FY21	FY22
Petrol	224	264	226	58	94
Diesel-Vehicles	4,694	6,344	5,165	1,839	1,990
Firewood	-	35	150	208	210
Charcoal	6,355	9,404	10,995	2,650	3,542
LPG	37,360	42,036	45,147	20,793	25,706
CNG	15,355	16,449	14,706	8,934	19,214
Total	**63,988**	**74,532**	**76,389**	**34,482**	**50,756**

Electricity Consumption



Energy Intensity

Electricity consumption within the organisation from different sources (in GJ)

Source	FY20	FY21	FY22
Grid Based Electricity	150,015	74,315	89,882
Solar Energy	629	600	1,369
Wind/Hydel Energy	9,121	7,669	15,074
DG Sets	3,381	1,150	1,513
Total	**163,146**	**83,734**	**107,838**

BUILDING OUR RENEWABLE ENERGY PORTFOLIO

We source renewable power from multiple sources, including solar, wind and hydel and have also done rooftop solar PV installations at our hotels. During the reporting period, the contribution of renewable energy was 15.25% of the total energy consumption.

15.25%

Electricity procured from renewable sources of the total power consumption

15,073.84 GJ

Electricity procured from wind and hydel open access projects

1,368.99 GJ

Electricity consumed from the on-site solar rooftop at our hotels

GREENING OUR ENERGY MIX THROUGH ADOPTION OF RE

Replacing traditional energy with renewable energy (RE) is the key to achieving low carbon growth and managing our environmental footprint. We have a target of increasing the share of RE to 50% of our total electricity consumption by FY26 and have taken several measures for the greening of our energy portfolio. On-site solar PV rooftop installations and open-access clean energy procurement are two ways in which we are working towards this target.

In FY22, our asset portfolio had 15.25% RE in its energy mix. We have installed solar PV with a combined capacity of 430 KWp in eleven of our hotels.

Since 2011, we are also using open-access energy, and five of our hotels currently procure both open-access wind and hydel energy. One of our city-based hotels uses waste energy as well. We are actively pursuing channels to purchase an additional ~3.0 million kWh of solar power from open-access sources in the coming year. This will help us further reduce our dependence on conventional sources of energy.

Simultaneously, we are exploring other alternative energy sources and will soon install a biogas plant on a pilot basis. Here kitchen waste will be utilised to generate clean fuel. This will substitute conventional fuel used in the kitchen.

Target 7.2
By 2030, increase substantially the share of renewable energy in the global energy mix

Target 12.2
By 2030, achieve the sustainable management and efficient use of natural resources

ENERGY EFFICIENCY

We have implemented various initiatives in our existing hotels to reduce energy consumption. In line with SDG 12, we plan to improve energy efficiency further and systematically manage energy consumption in our business. Our energy efficiency measures include green building design, technology changes and energy management system integration. We have also established a strategic partnership with Energy Efficiency Services Limited (EESL). This allows us to identify further areas for improvement and expand our efforts to reduce absolute energy consumption and expenditure.

Fuel-wise energy consumption within the organisation* (in GJ)

Energy intensity	FY20	FY21	FY22
Normalised Energy intensity based on total floor space (KwH per m²)	119.13	61.14	78.74
Normalised Energy intensity based on number of occupied rooms (KwH per occupied room)	44.70	40.52	45.03

ESG Approach

EMBRACING TECHNOLOGY TO CONSERVE ENERGY

To reduce our carbon footprint in a consistent and sustainable manner, the convergence of multiple activities is required. Installing energy-efficient equipment and appliances is one such way. We have invested in innovative technological solutions that are detailed below:

- Variable Refrigerant Volume (VRV) technology for air-conditioning, which alters the refrigerant flow according to the cooling demand of the room
- Heat Recovery Ventilators (HRV) is a heat recovery system that reduces the load on air-conditioning and saves energy
- Hydro-Pneumatic System with Variable-frequency Drive (VFD) motors maintains constant pressure throughout the water supply system
- Heat Pump: Produces hot water for domestic use and simultaneously creates cooling (by-product), which can be utilised for air conditioning
- Stabilised Power: Installation of Low-Tension Voltage Stabilizer or On-Load Tap Changing Transformer (OLTC)

7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

Target 7.3
By 2030, double the global rate of improvement in energy efficiency

Target 12.2
By 2030, achieve the sustainable management and efficient use of natural resources

Target 12.8
By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Target 13.2
Integrate climate change measures into national policies, strategies and planning

INTRODUCING TECHNOLOGY THAT HAS THE POTENTIAL TO SUBSTANTIALLY REDUCE HVAC ENERGY USE

HVAC typically accounts for close to half of a building's energy consumption, which is why there is significant scope for cost and energy savings. The air handling unit (AHU) lies at the core of central air conditioning and it collects outside air and room air, removes dust and other particles from the collected air, adjusts the temperature and humidity and then supplies comfortable and refreshing air-conditioned air into the rooms through ducts. The deployment of Electronically Commutated (EC) technology helps in the constant monitoring of the power input to the Air Handling Unit (AHU) while making continuous adjustments to optimise power. This leads to better control and more efficient energy consumption.

Also, the EC equipment has less carbon brushes, belts, pulleys which minimises the wear and tear of the equipment. This technology has been developed specifically for hotels, malls, auditoriums, airports, hospitals and banks. The process uses a retrofit system on an existing AHU and by regulating the use of electricity, leads to a substantial reduction in the energy bill.

We are running a pilot in our Aerocity property and have installed this equipment on the lobby AHU. The early results are promising and show a 14% reduction in the monthly electricity bill. The system is user friendly as it is zero maintenance and integrates easily into any Building Management System (BMS).

7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

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GREEN BUILDINGS

All LTH hotels are built according to green building standards set by the Indian Green Building Council (IGBC). We aim to ensure that our building design is compliant with all recommended sustainable practices such as, adhering to pollution control measures, maintaining indoor environmental quality, installing and maintaining requisite fire and life safety equipment, as well as, energy and water conservation equipment. Since 2010, we have developed all our upcoming hotels as per the IGBC/Leadership in Energy and Environmental Design (LEED) standards.

BIODIVERSITY AND HABITAT

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 towards conserving biodiversity and habitat into our development/acquisitions and operations strategy.

GREEN MATERIALS

Wherever possible, we strive to replace conventional materials with green and recycled materials. For instance, using CNG instead of LPG can reduce pollution. Additionally, we extensively use green building materials like recycled wood/Medium Density Fibreboard (MDF), particle board that is engineered wood manufactured from wood chips, sawmill shavings or sawdust and AAC blocks that is, cement concrete blocks in fly-ash, in the construction of our hotels.

DISPLAYING OUR SUSTAINABILITY LEADERSHIP THROUGH GREEN BUILDING DESIGN

Green building design takes an integrated approach and considers the life cycle impact of resources used. Our commitment towards sustainability involves the adoption of various ways of reducing environmental impact. The utilisation of green concepts and techniques in the construction and operation of our hotels is a robust way of locking in long-term reduction in carbon footprint as they positively impact a host of key parameters like water efficiency, energy efficiency, reduction in fossil fuel use, handling of consumer waste and conserving of natural resources. Most of our hotels meet the 'existing' building certification norms of the Indian Green Building Council (IGBC) and we intend to get IGBC certification for 100% of our assets by FY26.

At the close of FY22, six hotels had received the IGBC Gold Certification for outstanding performance in sustainable design, with accompanying energy savings, efficient use of water, reduction in carbon emissions and overall improvement in environmental quality.

During FY22, we registered seven more of our hotels for building certification. The process continued into FY23 on account of the continuing pandemic, and in early FY23 we received IGBC Gold Certification for two of these hotels.

Some of the key features that have been incorporated across all our hotels are:

- LED lighting
- Thermal insulation
- Double-glazed vacuum sealed windows (with an additional 'green glass' at some hotels)
- Strategic window-wall ratio of less than 40% on the exterior walls of our hotels
- Use of AAC blocks (fly ash)
- Non-toxic and low-emitting alternatives for adhesives, sealants and paints
- Extensive use of recycled materials like wood, rubber wood, particle board and sawmill shavings

These features aid in energy savings by helping control temperature within the building. They also help maintain a balance between illumination and insulation and keep the in-room atmosphere comfortable for our guests. All this while ensuring minimal environmental impact.

11 SUSTAINABLE CITIES AND COMMUNITIES

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.

ESG Approach

Climate change and emissions

LTH recognizes climate change is a critical risk for our business, customers, economy and the planet at large. As a pioneer in India's mid-scale hotels segment, we actively undertake initiatives for minimizing emissions and neutralizing the negative impact from our operations. We have been operating green buildings, adopting innovative technologies, and promoting access to clean energy toward a low-carbon and sustainable future. We have committed to reducing our emission intensity in FY26 by 40% from the FY19 baseline.

REDUCING OUR CARBON FOOTPRINT

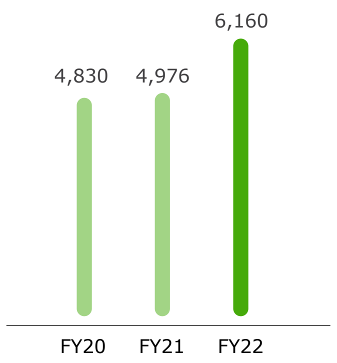
We are measuring and monitoring our carbon emissions – Scope 1 and Scope 2, from energy consumption at our hotels and have explored ways to reduce our GHG impact through the following measures:

- 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

GHG EMISSIONS

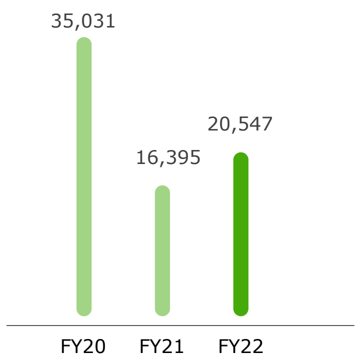
Direct Emissions (Scope 1)

(in tons CO_2)*



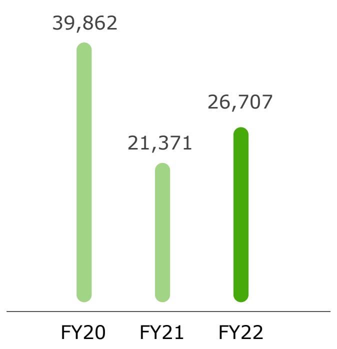
Indirect Emissions (Scope 2)

(in tons CO_2)*



Total Emissions (Scope 1+2)

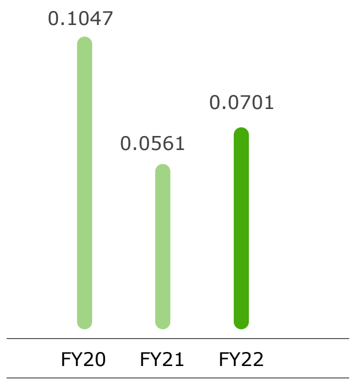
(in tons CO_2)*



GHG EMISSIONS INTENSITY

For owned/leased hotels

(Tonnes CO_2/m^2)

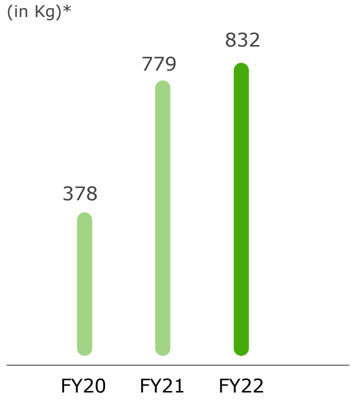


OTHER EMISSIONS

HFCs/Refrigerant

(R12, R22, 134A, etc.)

(in Kg)*



CLIMATE CHANGE APPROACH

A significant part of our commitment toward combating climate change involves four elements.

1. Activities

Climate change mitigation

Reducing emissions from fossil fuel use, improving energy efficiency, and adopting enewable energy.

Climate change adaption

Rainwater harvesting, using water-efficient faucets and shower heads, recycled water in gardens, flushing and cooling systems, reduction of food waste, etc.

2. Targets

Our commitment to climate change mitigation and adaptation is underpinned by clear and objective goals to reduce greenhouse gas emissions. In accordance with our commitment set out in this policy, we have set the following goals:

50%
share of renewable energy (RE) by FY26

40%
Reduction in GHG emissions – Scope 1 and Scope 2 (intensity-based) by FY26 over FY19 baseline

10%
Reduction in water consumption (intensity-based) by FY26 over FY19 baseline

100%
Certified green buildings (hotels) by FY26

MAKING THE CLEAN SWITCH: LPG TO PNG

LTH has implemented a complete switchover from LPG cooking gas to PNG at both Lemon Tree Hotel and Red Fox Hotel in Chandigarh, in FY22. The reasons for doing this are mainly because PNG is a cleaner fuel alternative; requires no maintenance; is safe and easy to use and does not need to be stored, leading to zero risk of spillage. Also, we are assured of an uninterrupted supply of PNG.

The volume consumed by each hotel is around ~2500 SCM (Standard Cubic Metre). This would lead to savings of ~₹ 50,000 per month. The conversion process is now underway at a third hotel and more will be planned after that.

Target 7.3
By 2030, double the global rate of improvement in energy efficiency

Target 12.2
By 2030, achieve the sustainable management and efficient use of natural resources

Target 12.8
By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

3. Partnerships

As advocates of ambitious and comprehensive climate action, we work with key stakeholders to effectively respond to the impending climate crisis. We work with our hospitality colleagues to improve the performance of this sector and increase our influence on industry policymaking. We hope that this kind of collaboration will help us tackle climate change and create social value.

4. Disclosures

We have set metrics in place to measure and report progress against our long-term goals through annual disclosures. We maintain transparency of our performance on climate action by recognized international ESG standards.

ASSESSING THE EFFICACY OF OUR ENVIRONMENTAL INITIATIVES THROUGH ENERGY AND WATER AUDIT BY TERI

In FY22, LTH commissioned a complete energy and water audit for four properties in Delhi/NCR, which were conducted by The Energy Research Institute (TERI). The energy audit was done for our properties Lemon Tree Premier and Red Fox Hotel at Delhi, Aerocity and the water audit for Lemon Tree Hotel and Red Fox Hotel at Sector 60, Gurugram. We selected these locations as a number of environmentally friendly measures are already in place here, both in terms of energy efficiency and minimization in water consumption and the use of recycled water.

TERI made a few key observations regarding the operations at these properties:

Energy use at the Aerocity properties

- The Energy Performance Index (EPI) of the property is ~149 Kwh/m^2/year which is considered efficient as per BEE benchmarks.
- The Average Power Factor is maintained at unity (1.00) with the help of the installed capacitor banks
- Visual comfort is being maintained as per the recommendations of the National Building Code 2005 (NBC)
- The annual average operating efficiency of the HVAC plant is 1.28 kW/TR against the rated efficiency of 0.97 kW/TR
- Energy-efficient LED lighting systems are in use

Water use at the Gurugram properties

- The cumulative water consumption stands at 44,196 KL, which is well within the range laid down by the National Building Code 2016, which is at 76,131.4 KL. The moderate water consumption reflects the effective water usage on these properties.
- Three strips of green belt are being irrigated outside the premises, covering an area of 1,183 sqm.

The audit highlighted a few key opportunities for improvement:

- Integration of VFD for secondary chiller pump
- Reset chiller software and condenser water temperature
- Regular flow rate testing of aerators
- Ensure faulty sub meters are replaced with new ones so that water usage can be correctly monitored.

Target 6.4
By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals

Target 7.3
By 2030, double the global rate of improvement in energy efficiency

Target 12.2
By 2030, achieve the sustainable management and efficient use of natural resources

Target 12.8
By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Target 13.2
Integrate climate change measures into national policies, strategies and planning

Water management

Water management remains a fundamental environmental practice for us as the scarcity of this resource is intensifying each year and it can become a key business risk. We focus on water conservation, recycling and reuse through wastewater treatment and rainwater harvesting at all our hotels. We are committed to ensuring a low water footprint from our operations and are working towards "zero discharge" of water in the future.

We aim to reduce our water intensity by 10% by FY26 compared to the FY19 baseline and have taken several initiatives towards this goal.

REDUCING OUR WATER FOOTPRINT

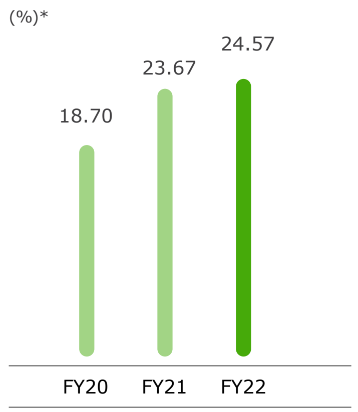
Recognizing our dependence on freshwater, we are working towards limiting consumption by introducing efficient water outflow measures in our hotels. To better manage water consumption within our premises, we make use of aerators/flow restrictors, dual flush systems and auto flush public urinals. We also engage with our guests on this issue to encourage them to personally contribute toward water-saving initiatives through programs such as third-linen change[1] and half-glass water. Consequently, our water[2] consumption per total floor area has reduced significantly by 37.80%.

Water Withdrawal (in KL)	FY20	FY21	FY22
Municipal Water Source	314,243	206,287	252,805
Bottled Water	3,153	1,850	2,184
Third-Party Water	167,556	37,215	58,937
Other Sources	218,923	166,634	228,563

WASTEWATER RECYCLING

Our approach to water management also includes the management of water discharge. We have installed Sewage Treatment Plants (STP) with a combined capacity of 3,239 KL per day, to prevent wastewater from contaminating natural water sources. In Sector 60, Gurugram, we use MBBR technology to reduce organic matter and maintain Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) of the recycled water as per government norms. The treated water at all our hotels is then used for purposes like watering plants in gardens, in cooling towers and flush systems. Such moves helps us to progress towards our goal of zero discharge operations and 24.57% of recycled water was used in this way in FY22.

Water Recycled



1 Our long stay guests are encouraged through an in-room poster to follow our practice of linen change on the 3^{rd} day of stay.
2 We follow the practice of serving only half glass of water in our restaurants to limit the wastage of drinking water.
3 Water withdrawal for water stressed areas is same as the represented water withdrawal as all the locations have been categorized under high and very-high water stress areas.
* Owned/leased hotels only

ESG Approach

Waste Management

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Waste management is an integral part of LTH's day-to-day functioning and a key focus area for the company. LTH intends to reduce waste through appropriate and sustainable waste minimisation techniques.

We ran a pilot at five of our hotels in FY21 and developed a new waste management policy based on those findings. As per the policy we will deploy best-in-class practices for waste reduction, segregation, and waste management; identify, classify, and measure our waste; reduce, reuse, and recycle our waste; comply with different environmental regulations laid down by the government; train our employees on effective waste management, and achieve an optimal waste reduction and diversion rate while monitoring our waste management processes. The policy is also applicable to all employees at the Corporate Office.

WASTE GENERATION

(in metric tons)*

Source	FY20	FY21	FY22
Wet waste	735	307	485
Dry waste	375	211	332

*owned/leased hotels only

WASTE GENERATION

(in metric tons)*

Category	FY18	FY19	FY20	FY21	FY22
Hazardous Waste	4	4	3	95	10
Non-hazardous Waste	100	108	349	631	817

*owned/leased hotels only

OUR APPROACH TO WASTE MANAGEMENT

Waste Segregation, Classification and Disposal

We segregate waste at site according to its categories. LTH ensures that waste is delivered to authorized providers safely and responsibly.

General Waste Management and Disposal

As a sustainable and responsible hotel chain, we believe in treating our waste and contributing to the circular economy.

E-Waste Management

We safely recycle our outdated IT and electronics equipment along with management of toxic chemicals such as lead and mercury. Further, LTH endeavours to procure IT assets from certified partners who follow responsible e-waste management practices themselves.

OUR COMMITMENT TO WASTE MANAGEMENT

Employee Training

Extensive Learning & Development (L&D) interventions to drive minimization, segregation and waste management across all levels

Guest Engagement

Engage with and communicate to guests regarding the waste management initiatives in practice and their impact on the environment

Communication

Use of internal and external sources of communication to create awareness about the company's waste management initiatives

Waste-to-Wealth Models

Strategically explore alternate revenue generation streams centred around waste management

Policymaking

Regularly review the implementation of waste management policies.

Behavioural Change

Introduce innovative exercises to foster good waste management habits and stakeholder consciousness

ESG Approach

Social connect

Our employees deliver the brand to our guests every day and drive our business with their dedication and warmth. We remain committed to the welfare of our employees and of the communities in which we operate. Our suppliers and partners are central to us being able to provide high quality services to our consumers, and we build long term relationships with them.

Material issues

- Diversity and Inclusion
- Learning and Development
- Health, Safety and Well-being
- Talent Management
- Commitment to Human Rights and Ethical Supply Chain
- Customer Satisfaction
- Community Development

FY22 Key Performance Highlights

50%
Employees are hired from the local community

1:1
Pay ratio for male and female employees at all levels

231
Employees with disabilities

136
Number of EcoSoc employees

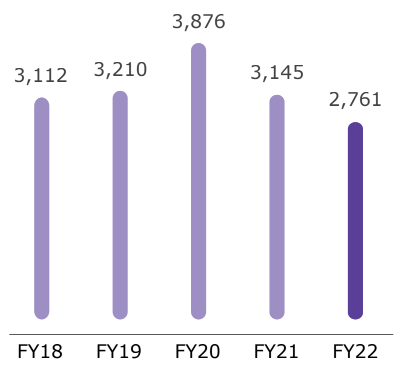
30%
Share of ODIs in workforce by FY26 from 13% currently

Our workforce

Our flat organization structure helps build greater team involvement and team spirit as the number of layers between leaders and their subordinate team members are few. As of 31st March 2022, the total workforce in the hotels owned by us was 2761, of which 2% and 23% are our senior and mid-management members respectively. The rest of the workforce consists of executives (14%), associates (58%) and trainees (3%).

We strive to bring the best talent, irrespective of their gender, special needs and background. After a recruitment freeze during the pandemic, we hired 1032 new employees in FY22, of which 933 were male employees and 99 were female employees. Approximately 23.75% of these new employees were inducted at mid-management and executive levels while others joined in other roles. A majority of our new employees are less than thirty years of age. This is consistent with the focus of developing a young talent pool that can infuse a fresh perspective into the organization.

Our people



ESG Approach

EMPLOYEE BREAKUP BY LEVELS AND GENDER

	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior Management	51	7	58	48	7	55	42	8	50
Mid- Management	740	76	816	639	64	703	590	51	641
Executives	528	76	604	457	49	506	367	31	398
Associates	1,860	251	2,111	1,536	187	1,723	1,428	163	1,591
Trainees/Apprentices	218	69	287	122	36	158	73	8	81
			3,876			**3,145**			**2,761**

	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
FTEs (On Roll)	2,341	312	2,653	1,989	242	2,231	1,768	182	1,950
FTC/ HT/ MT/ ET/ Retainer	838	98	936	691	65	756	659	71	730
Apprentice	218	69	287	122	36	158	73	8	81
Total			**3,876**			**3,145**			**2,761**

ENCOURAGING HIGH INVOLVEMENT AND WEALTH CREATION FOR OUR EMPLOYEES THROUGH ESOPS

- Our 'Employee Stock Option Program' (ESOP) rewards employees for their creativity, hard work and performance, while also creating a feeling of loyalty and belongingness. This motivates employees to play an active role in supporting the growth and profitability of our business.
- The smooth execution of our ESOP strategy is overseen by our Trust and Compensation Committee. This committee plays a significant role in determining the eligibility criteria, quantum of options, terms and conditions, procedures and approvals in accordance with applicable laws.

10 REDUCED INEQUALITIES

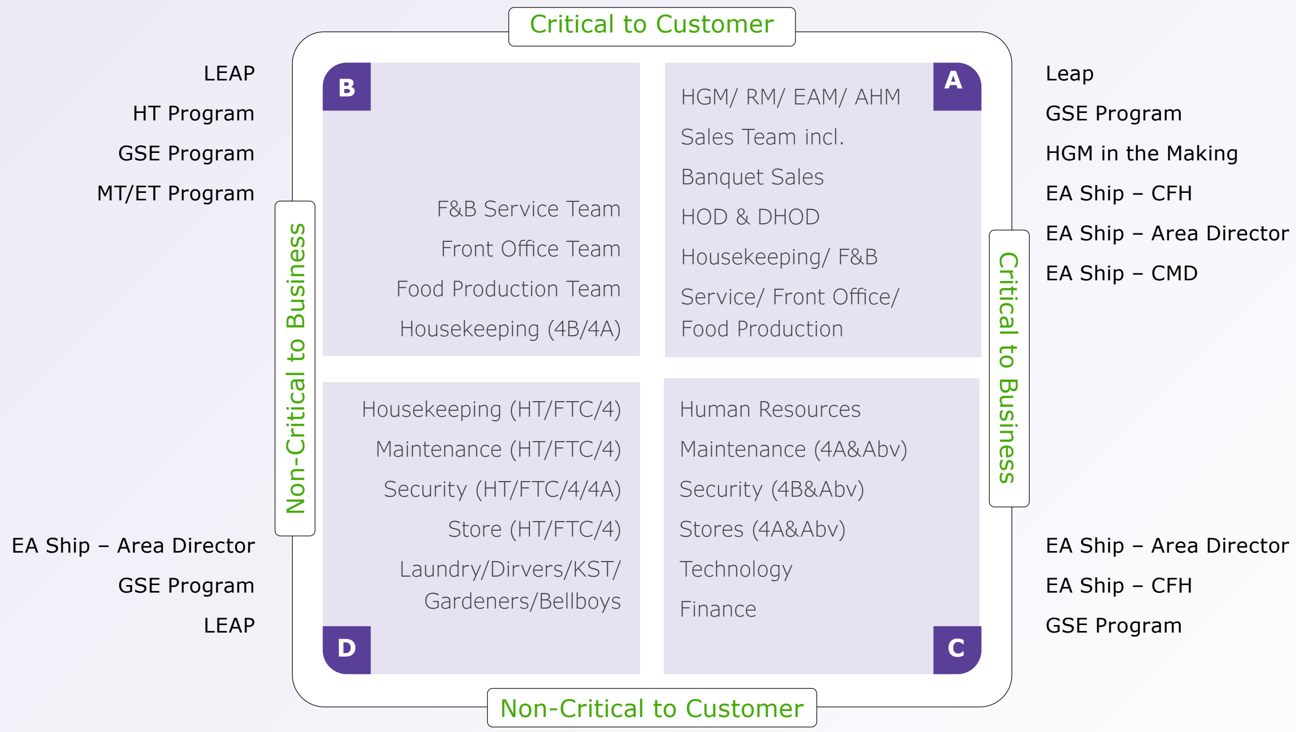
Target 10.4
Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

OUR 2X2 MATRIX: CURATING HUMAN RESOURCES PIPELINE IN SYNERGY WITH BUSINESS GOALS

Building a strong leadership pipeline and maintaining adequate team strength that supports our vision and growth prospects is an ongoing effort. We identify high-performing employees that is, Super High Achievers (SHAs, typically top 5-10%) and High-Potential Employees (Hi-Pots, typically next 15-20%), who display capabilities to grow into leadership positions over time.

In order to take a streamlined approach for the training and development needs of our SHA/ Hi-Pot employees, we have developed a **2X2 role matrix** that helps us align our training programs with our business requirements. This matrix is based on two key parameters on an XY scale and uses four quadrants to define roles:

- Critical to Business and Critical to Customer;
- Critical to Customer and Non-critical to Business;
- Critical to Business and Non-critical to Customer and;
- Non-critical to Customer and Non-critical to Business.



Corresponding to each quadrant and associated roles, we have mapped career development programs that are curated and delivered to SHA/Hi-Pot employees. As the employees move through this matrix, they acquire new skills and grow with the organization.

8 DECENT WORK AND ECONOMIC GROWTH | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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

Target 8.6
By 2020, substantially reduce the proportion of youth not in employment, education or training

Target 16.b
Promote and enforce non-discriminatory laws and policies for sustainable development

ESG Approach

Diversity and Inclusion

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

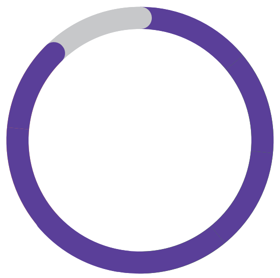
We are an equal opportunity employer since 2007. We have been working diligently in the domain of diversity and inclusion by hiring ODIs (Opportunity Deprived Indians) who are young adults without access to equitable employment opportunities to prosper in life. ODIs include Employees with Disability (EwD) and employees from Economically/Socially marginalized backgrounds (EcoSoc).

Through this hiring practice, our goal is to mainstream ODIs into our workforce, thereby empowering them to lead their lives with dignity. Our diversity and inclusion policy aims to create a culture that builds deeper trust and commitment in our employees, and also accelerates sustainable socio-economic development.

EMPLOYEE DISTRIBUTION BY AGE AND GENDER

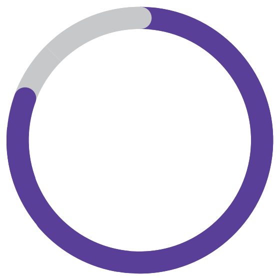
New Employees	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 Years	1,861	347	2,208	1,323	209	1,532	1,067	158	1,225
30 - 50 Years	1,444	125	1,569	1,402	127	1,529	1,345	96	1,441
> 50 Years	92	7	99	77	7	84	88	7	95
Total	**3,397**	**479**	**3,876**	**2,802**	**343**	**3,145**	**2,500**	**261**	**2,761**

Total Employee Gender Diversity (FY22)
(%)



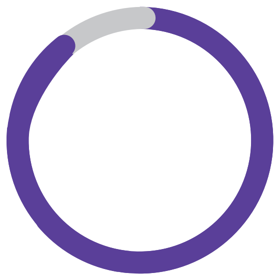
91 Male Employees
9 Female Employees

Gender Diversity at Corporate Level (FY22)
(%)



78 Male Employees
22 Female Employees

Gender Diversity at Hotels* (FY22)
(%)



91 Male Employees
9 Female Employees

*Owned/Leased hotels only

DIVERSITY IN EMPLOYEES BY GENDER AND ETHNICITY

New Employees	2020			2021			2022		
Units	Female	Male	Grand Total	Female	Male	Grand Total	Female	Male	Grand Total
Aurika, Udaipur	25	115	140	20	130	150	11	125	136
Corporate Office	45	177	222	42	155	197	37	130	167
Keys Select Hotel, Hosur Road, Bengaluru	12	64	76	6	49	55	4	41	45
Keys Select Hotel, Kochi	5	57	62	3	44	47	2	30	32
Keys Select Hotel, Ludhiana	7	44	51	5	37	42	3	36	39
Keys Select Hotel, Pimpri, Pune	12	43	55	5	28	33	6	30	36
Keys Select Hotel, Thiruvananthapuram	6	49	55	6	38	44	4	32	36
Keys Select Hotel, Visakhapatnam	9	53	62	9	39	48	4	40	44
Keys Select Hotel, Whitefield, Bengaluru	16	106	122	10	81	91	2	45	47
Lemon Tree Amarante Beach Resort, Candolim, Goa	4	82	86	3	60	63	8	44	52
Lemon Tree East Delhi Mall, Kaushambi	4	78	82	3	68	71	2	55	57
Lemon Tree Hotel, Sector 60, Gurugram	6	112	118	5	80	85	3	71	74
Lemon Tree Hotel, Ahmedabad	2	59	61	1	49	50	3	44	47
Lemon Tree Hotel, Aurangabad	5	85	90	4	73	77	3	70	73
Lemon Tree Hotel, Banjara Hills, Hyderabad	3	59	62	4	49	53	4	42	46
Lemon Tree Hotel, Candolim, Goa	5	26	31	2	29	31	1	26	27
Lemon Tree Hotel, Chandigarh	12	60	72	6	48	54	6	52	58
Lemon Tree Hotel, Chennai	11	69	80	7	43	50	5	42	47
Lemon Tree Hotel, Electronics City, Bengaluru	18	121	139	6	80	86	8	74	82
Lemon Tree Hotel, Gachibowli, Hyderabad	12	107	119	9	83	92	6	78	84
Lemon Tree Hotel, Hinjawadi, Pune	7	70	77	3	56	59	2	55	57

ESG Approach

New Employees	2020			2021			2022		
Units	Female	Male	Grand Total	Female	Male	Grand Total	Female	Male	Grand Total
Lemon Tree Hotel, Indore	7	82	89	4	66	70	4	62	66
Lemon Tree Hotel, Udyog Vihar, Gurugram	5	38	43	3	36	39	2	32	34
Lemon Tree Hotel, Whitefield, Bengaluru	16	77	93	5	59	64	6	56	62
Lemon Tree Premier, Ulsoor Lake, Bengaluru	21	123	144	16	97	113	15	71	86
Lemon Tree Premier, City Center, Gurugram	5	53	58	3	50	53	3	42	45
Lemon Tree Premier, Delhi Airport, New Delhi	39	261	300	31	209	240	20	186	206
Lemon Tree Premier, Leisure Valley 1, Gurugram	9	73	82	4	66	70	3	55	58
Lemon Tree Premier, Leisure Valley 2, Gurugram	10	70	80	6	64	70	4	61	65
Lemon Tree Premier, HITEC City, Hyderabad	24	162	186	16	134	150	12	115	127
Lemon Tree Premier, New Town, Kolkata	4	57	61	2	52	54	4	51	55
Lemon Tree Premier, Andheri (East), Mumbai	25	140	165	21	138	159	20	118	138
Lemon Tree Premier, City Center, Pune	25	96	121	22	63	85	10	65	75
Lemon Tree Vembanad Lake Resort, Muhamma, Kerala	1	35	36	1	23	24	1	22	23
Lemon Tree Wildlife Resort, Bandhavgarh	0	23	23	0	25	25	0	28	28
Red Fox Hotel, Sector 60, Gurugram	4	64	68	4	50	54	3	54	57
Red Fox Hotel, Chandigarh	6	51	57	4	45	49	3	43	46
Red Fox Hotel, Delhi Airport, New Delhi	30	132	162	27	106	133	16	95	111
Red Fox Hotel, Dehradun	9	46	55	5	44	49	2	43	45
Red Fox Hotel, Dehradun	7	52	59	4	51	55	3	40	43
Red Fox Hotel, HITEC City, Hyderabad	2	63	65	2	55	57	2	46	48
Red Fox Hotel, Jaipur	4	63	67	4	50	54	4	53	57
Grand Total	**479**	**3397**	**3876**	**343**	**2802**	**3145**	**261**	**2500**	**2761**

COVID RESPONSE: LEMON TREE CARES

During the COVID-19 pandemic, we faced a unique challenge. We were required to ensure our employees' safety while also fulfilling our customer-facing role and carrying on with our 24X7 business operations. We adopted a compassionate and empathic approach towards our employees who were our topmost priority. Under the umbrella of the 'Lemon Tree Cares' initiative, we introduced several welfare initiatives for our employees and their families.

'Lemon Tree Cares' provided comprehensive support through:

- Three weeks paid leave for all employees who tested positive for COVID-19
- For home quarantine cases, medical expenses (including oxygen, where required) was borne by LTH
- For hospitalization cases (severe), additional expenses beyond the insured amount was made available
- Free hotel stays and medicines for employees who needed to isolate themselves
- Compensation was provided in the unfortunate situation of an employee's demise, as per the company's graded plan based on service tenure. Additionally, LTH also committed to providing training/employment to the deceased employee's spouse/child, if such a request was made by the family, to ensure that their livelihoods were not jeopardized.
- All vaccination expenses for employees and their dependent family members was borne by LTH

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Target 8.8
Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those in precarious employment.

Target 16.b
Promote and enforce non-discriminatory laws and policies for sustainable development

HEALTH AND SAFETY BECOMES A PART OF OUR CORE VALUES

- The pandemic has unequivocally shown us that maintaining high health and safety standards at the workplace is critical for the well-being of both the business and its employees. Lemon Tree decided to amend its Core Values in FY22 to incorporate this fundamental aspect. The earlier acronym **'To Rise'** was updated to **'Has To Rise'** which is defined as under:
- **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

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.8
Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those in precarious employment.

INTRODUCTION OF NEW POLICIES FOR SOCIAL MEDIA, INTERNAL TRANSFERS AND RIGHT TO ASSOCIATION

Lemon Tree incorporated three new policies for all its employees in its General Service Rules and Regulations (GSRR) during FY22. The policies help to articulate the company's views on several important issues concerning our employees in a fair and transparent manner, and to clearly lay down processes. The three policies in summary are:

1. Social Media Policy

We recognize the importance of social media as a communication tool and are committed to maintaining good relations with our employees, clients, suppliers and the rest of the outside world via all public platforms. The public's perception of our company is vital for its reputation and helps us to promote our business, gain new business and recruit and retain high-quality talent

Several LTH employees are active on social media platforms including Facebook, Instagram, Twitter, LinkedIn, blogs, hospitality/travel sites, food sites and more. It was important for LTH to define a protocol that employees would be guided by when they used social media and/or referred to LTH including its brands, properties and leadership team.

With our fully articulated Social Media policy, our aim is to encourage LTH employees to post and repost content related to LTH while maintaining a respectful, professional and positive stance. The policy note outlines the manner in which LTH employees may use social media to speak of any or all aspects of LTH.

The policy asks all employees to exercise prudence and caution when posting on social media. They are expected to adhere to the company's confidentiality policies and Employee Code of Conduct at all times – in person and on social media. The policy also mentions that employees, must at all times, adhere to the company's anti-harassment policy and avoid making posts that make collaboration with other colleagues difficult (for example, hate speech against groups to which other colleagues may belong).

During the year, all existing employees read and signed an acceptance of the policy. For new employees it is now a part of the on-boarding process.

2. Internal Transfers Policy

LTH is on a high-growth trajectory and multiple career openings exist across India on an ongoing basis. To enable employees to move within the group and across hotels, employees are offered the option of relocating to any other unit of their choice, as and when a suitable vacancy emerges either at an existing hotel or a new one.

This option becomes available after a year of completing service, and interested employees are given a "Location Preference Form" to fill out and submit to HR. The employee can then choose to opt for two locations where, when the opportunity arises, he/she would like to be transferred.

3. Right to Association Policy

Lemon Tree encourages employees to voice their grievances regarding working conditions through a variety of forums. The company would like to foster a peaceful and mutually beneficial relationship between employees and the organization. In hotels where we have active trade unions, all benefits are provided equally to both union members and to non-members, in line with collective bargaining agreements. If an employee wishes to join a recognized trade union, his/her right of association with them will always be respected.

Target 16.b
Promote and enforce non-discriminatory laws and policies for sustainable development

Learning and Development

Training and development are critical to ensure brand standardization, maintain quality of customer service and motivate team members. Therefore, we have established a culture that promotes the continuous learning and growth of our employees. We provide functional, technical and behavioural training to all employees based on a training needs assessment.

Our vision is to nurture talent at all organizational levels and create a stable pipeline of future leaders within the organization. By providing a well-designed career development program, we actively support employees in developing their existing skills and improving their leadership skills.

Through our learning and development effort, our main focus is to drive service excellence and sustainable business growth.

33,454
Training Man Hours* (FY22)

4
Training Man Hours Per Employee* (FY22)

FOSTERING A CULTURE OF INNOVATION THROUGH LEARNING AND DEVELOPMENT

We maintain a highly engaged and motivated workforce by placing an emphasis on upskilling employees. Lemon Tree Hotel's Learning and Development (L&D) function is outsourced to a specialist organization called Mind Leaders Learning India Pvt. Ltd. (an associate company where we own 35%) which is led by an expert founder along with a team of L&D experts with experience across industries. The L&D team does regular training needs analysis exercises and then designs training programs based on experiential learning that builds innovation and creativity in the team. The aim with entry level employees is to train them fully and equip them to perform their roles effectively and immediately, as per defined standards.

In the case of Employees with Disability (EwDs) and Employees from Economically/Socially marginalized backgrounds (EcoSoc) the aim is to skill them functionally, regardless of their education levels. We ensure they are ready to be a part of the operating team and can contribute to productivity, as any other team member does.

Apart from dedicated career development programs for our high-performing employees, we undertake various innovative L&D initiatives including:

ADDIE (Analyze, Design, Develop, Implement and Evaluate) Model – The goal is to enhance service efficiency in front office, housekeeping, food and beverage service and sales teams.

Train-the-Trainer Program - 'Trailblazers' (department trainers) are guided to develop specific training content for their department. Additionally, L&D analyses trends in guest feedback and builds a customized improvement plan for each hotel.

Empowering employees with special needs – We focus on the personal development and career growth of employees with special needs. Some examples: in-house Indian Sign Language (ISL) expert trains deaf employees; supporting traineeships (run by sustainability and operations) for people with intellectual and developmental disability, etc.

Gamification - Involves the use of gaming elements in the training pedagogy.

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

Target 8.6
By 2020, substantially reduce the proportion of youth not in employment, education or training

Target 16.b
Promote and enforce non-discriminatory laws and policies for sustainable development

TRAINEESHIP MODEL FOR AUTISM AND INTELLECTUAL AND DEVELOPMENTAL DISABILITY (IDD)

We have co-developed an internship model with strategic partners i.e. specialist NGOs who work with young adults with Autism (Action for Autism) and IDD (Muskaan). In this case we reversed the 'hire and then train' model used for candidates with physical disabilities to a 'train and then hire' model.

There are three phases in this model:

- **Pre-employment training:** done by the NGO, it covers basic life skills, self-management, professional skills and vocational skills
- **Internship:** done by Operations, Sustainability and L&D with the NGOs assistance. Usually for 6 months
- **Extended learning, where required:** extension of the internship for up to a maximum of 1 year

JOB MAPPING AND ROLE DEFINITION

A detailed job mapping was done, separately for Autism and IDD. Both NGOs spent many days on our premises to observe the flow of tasks, decision making abilities required, independent tasks vs. team tasks, level of skill/socializing required and so on. The departments were food and beverage service (F&B (S)) for IDD and housekeeping (HK) for Autism.

For the IDD and Autism internships we focused on roles where the nature of tasks were either semi-skilled or unskilled and could be taught through role play and demonstration. They were then paired with a buddy who was trained to handle all tasks and could fulfil the tasks that IDD/Autism employees were constrained to. Together, these two employees achieved the desired productivity and the shortfall/gap on account of one employee's intellectual challenge was mitigated.

These traineeships have resulted in ~50 employees across Autism and IDD across a few hotels and has been made possible through 14-15 traineeship batches. The feedback from both guests and team members has been very encouraging. These employees are seen as full of energy and enthusiasm and in some many ways, perfectionists.

PANDEMIC AND POST-COVID: EVOLVING TIMES

Restart Program

These team members were away from the workplace as their susceptibility to a pandemic/virus is higher than usual. Lemon Tree took a call with their families and our strategic partners, to have them stay at home till it was safe for them to return to work. With three distinct and dangerous waves of COVID-19, the stay-at-home period emerged to be ~2 years.

During the lockdown/stay-at-home period there were two crucial aspects for our IDD and Autistic employees to be taken care of (1) maintaining their spirit and mental strength (the unpredictability of the situation was stressful for each of them) (2) refreshing and maintaining their knowledge of their key tasks. Both these goals were delivered by our strategic partners through an intense program of phone calls, virtual meetings and written messages/pictures. The one-on-one contact worked excellently to keep them in a positive frame of mind and focused on their role/job (even while away from work). Virtual classes and revision exercises were held 3-4 times a week and they were guided to conduct many of their key tasks at home as well.

Once the imminent danger of the pandemic lifted and each team member had taken both dozes of the vaccination as well as the booster shot, we made a plan to 'restart' them at work. This involved 5-6 brief 'familiarization' visits to their hotel and department. The goal was to ease them into their original roles and re-acquaint them with their teams and work area.

When they did finally 'get back to work' each of them proved their contribution by coming back with full energy, refreshed knowledge of their key tasks as well as newly acquired knowledge of post-COVID protocol (masks, hair nets, sanitizer, strengthening immunity, virtual payment methods, etc.).

The re-fitment and integration into the team was seamless and today they are once again active and regular members of these hotel teams. We are now planning the next set of traineeships with new trainees across multiple hotels in different cities.

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

Target 8.6
By 2020, substantially reduce the proportion of youth not in employment, education or training

ESG Approach

MAINSTREAMING OPPORTUNITY DEPRIVED INDIANS (ODIS)

APPROACH

Lemon Tree believes that the brand should stand for more than 'just profit'. Over the past fifteen years, we have built a socially inclusive workplace which seeks to bring in people from neglected/non-traditional talent pools comprising different backgrounds, abilities and ethnicities to offer them work as part of a highly integrated and engaged team.

We believe that persons with disabilities (which can be physical, social or economic disabilities leading to an opportunity deprivation) must be provided the same opportunities as others to realize their full potential and live with dignity. By creating a supportive environment that allows them to deliver their best and by redefining roles (where required) to make their disability irrelevant, we are able to play a part, however small, in social inclusiveness, opportunity/livelihood creation and therefore nation building.

DEFINITIONS

We have defined the goal as mainstreaming 'Opportunity Deprived Indians' i.e. ODIs into the workforce. ODIs include:

EMPLOYEES WITH DISABILITY (EWD):

Physical Disability

- Speech and Hearing Impaired (SHI)
- Orthopedically Handicapped (OH)
- Acid Survivors (AS)
- Going forward, also Visually Impaired (VI), Low Vision (LV)

Intellectual Disability

- Down Syndrome
- Autism

People from Economically/ Socially (EcoSoc) Marginalized segments:

- Below Poverty Line (BPL) individuals
- Widowed or abandoned/battered/ destitute/divorced women
- Orphans/abandoned girls
- Transgender
- Individuals from economically weak families
- Communities who do not get education and employment opportunities easily i.e. North Eastern States, Bihar, Jharkhand, Chhattisgarh, Orissa, tribal/ interior areas of any state, etc.

For any of the above segments (except #2), we consider those who have dropped out of school prior to graduating Class 10.

IMPLEMENTATION

In the past 15 years, over 3,000 ODIs have trained at our company/ continue to work with us. Today 13% of the employee base of owned/ leased hotels are ODIs.

To ensure the inclusion initiative works smoothly, we have created an inclusion model that consists of seven pillars. Briefly:

Defined Vision: the inclusion vision comes from the very top of our company and has become a part of our culture i.e. it is embedded in our DNA

Dedicated Resources: the initiative is driven at a senior level by two key resources – head of Sustainability and head of HR

Sensitization: we sensitize all employees regarding the business sense of inclusion and how an employee can work with/guide/train a person with disability

Job Mapping: is a detailed process of observing and mapping each task of a role e.g. Guest Service Associate in the coffee shop, w.r.t. each disability type. It is done by our partner NGOs

Partner and Collaborate: we have built a comprehensive partnership program with NGOs/ training organizations to support us with expertise across disability types, training techniques for people with special needs, engagement with their families, etc.

Training and Review: as we bring in new disability types, we launch them through a pilot for 3-6 months. Each stage of the pilot is monitored, assessed and any improvements required are planned and implemented

Scale up Hiring: as we conclude the learnings from these pilots, we then make it a national policy and hire people with that disability across the group

As our goal is 30% ODI by FY26, we are working towards this in a focussed manner in a post-COVID scenario in FY22 and going forward. A few key aspects to reach this target:

Restart (done in Q3 FY22) and stabilize recruitment. Build back to pre-COVID numbers

Increase ODI numbers in the roles and for the disability types that we have already job mapped

Conduct further job mapping for new roles (for existing disabilities) and for new disability types like special learning disability (ADHD, Dyslexia and more), intellectual disabilities like cerebral palsy and others. This process has been on through FY22 and continues into FY23

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

Target 8.6
By 2020, substantially reduce the proportion of youth not in employment, education or training

SHARED VISION AND LEARNING: ESG TEST FOR SUPERVISORS AND MANAGERS

An extensive testing process has been setup within the company to assess the awareness levels and understanding with respect to Lemon Tree's first ever ESG Report released for FY21. The target audience is managers (above a certain band) at the Corporate Office and at the hotels (owned and managed). The aim is to build a broad understanding of our ESG goals, Lemon Tree's progress thus far and the new initiatives being undertaken - amongst all leaders in the company. The testing process started in Q4 FY22 and continued into FY23. The Corporate L&D team together with Sustainability/ ESG and HR (especially the HR Leads located at each of our 84 hotels in 52 destinations) conduct the whole process. Briefly:

- Managers were asked to study the ESG Report when it was first uploaded in October 2021. Then closer to the testing period a summary document and even more succinct summary presentation was shared as study material with all eligible managers
- The test paper has been constructed as multiple choice answers and contains 10 questions, with 5 alternate test papers (to randomise the distribution of questions)
- Every manager is expected to pass with 80% or more. If a manager doesn't pass he/she repeats the test after studying the material again
- The test is being held once a month over 9 months
- The same pattern will be repeated next year

OUTCOME

As on 31st March 2022, out of 1153 eligible managers 1147 had attempted the test and 1051 i.e. 91% of the target audience had passed with 80% or more marks. There were some hotels where the test had not been conducted until then as they were not operational for a period of time.

Target 16.b
Promote and enforce non-discriminatory laws and policies for sustainable development

KNOWLEDGE SHARING WITH INDUSTRY IN INDIA AND ABROAD

Today there is still a gap in the corporate sector regarding an understanding of how to go about building diversity and what essential steps an organization should take to become truly inclusive.

Through the past fifteen years, as Lemon Tree has grown its experience and understanding of skilling and mainstreaming ODIs, a number of organizations have connected with us to understand how the initiative works. Lemon Tree has been forthcoming and our leadership team has freely shared ideas and best practices including the Chairman and Managing Director, Senior Vice President-Sustainability & ESG and Senior Vice President-Human Resources.

We have addressed large forums of industry leaders, emerging leaders, students, companies from various sectors including hospitality, retail, ecommerce, IT/ITES, BFSI, pharma, manufacturing, education and skilling, etc. The best practice sharing typically includes why any organization should adopt inclusion, what business benefits does diversity offer, a dialogue around the seven-pillar model and more. Some companies have done 2-3 rounds of discussions including a familiarization visit to a Lemon Tree hotel and then gone ahead and started hiring persons with disability.

Another impactful activity has been the engagement we have had with organizations in different parts of the world including:

- Glasgow, Scotland with a university under the UK India Educational Research Initiative: This sharing has been on since 2016 and is focussed on training/ hiring people with Down Syndrome
- Singapore with a leading hotel chain and a large regional player in banking: This was around inclusion best practice sharing and understanding of industry practice. Lemon Tree also gave the Keynote Address at an HR leaders conference
- Switzerland with the International Labor Organization (ILO): This was a round table discussion regarding sensitization, training, awareness building around hiring persons with disability (PwD).
- Globally, with the World Travel & Tourism Council (WTTC): We shared our diversity best practices at a global event and won the Tourism For Tomorrow Award for people practices.

Lemon Tree has emerged as a leader in diversity and inclusion as a result of these extensive interactions with both industry and academia in India and across the world.

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

Target 8.6
By 2020, substantially reduce the proportion of youth not in employment, education or training

Talent Management

Our employees play a critical role in driving our business growth and strengthening the brand. Our talent management focuses on employee productivity and empowerment, as well as nurturing and retention of talent. As mentioned earlier in this report, our employee growth program identifies high-performing employees i.e., Super High Achievers (SHAs, typically top 5-10%) and High-Potential Employees (Hi-Pots, typically next 15-20%), who display the attitude and competencies to grow into leadership positions over time. The program motivates employees to perform well and give their best at work.

Number of employees*	FY18	FY19	FY20	FY21	FY22
	3,112	3,210	3,876	3,145	2,761

* owned/leased hotels only

RETAINING OUR TALENT POOL

Our workforce turnover for the FY22 was 54% for Men and 7% for Women, marking a significant reduction from the pre-COVID years, with higher turnover among male employees as well as employees "less than 30 years" across all bands. The turnover among high-performing talent (SHAs/Hi-Pots) of 17.6% and managers and above of 8.73% was significantly lower than the average of 45.8%, which bodes well for our leadership pipeline.

Attrition (in %)*	FY18	FY19	FY20	FY21	FY22
Overall	37.60	44.52	57.25	31.86	45.80
SHA	15.26	11.85	10.13	7.07	17.60
HiPot	17.53	19.55	22.69	15.08	25.50

*owned/ leased hotels only

We offer parental leave to female employees in line with national regulations. Over the years, a majority of our employees returned back to work post maternity leave. During FY22, only 3 employees availed parental leave.

ESG Approach

Health and Safety

8 DECENT WORK AND ECONOMIC GROWTH

Health and safety (H&S) is a core value at Lemon Tree. Our vision to sustain zero incidents and zero occupational health hazards for all our key stakeholders including employees, contractors, guests, communities and the public at large.

ZERO

Health and safety-related incidents at our under-construction sites in FY22

OUR KEY FOCUS AREAS

We ensure our employees are provided with a safe and healthy work environment. In this regard, we strive to ensure compliance with all applicable laws and industry standards regarding working conditions across our operations.

Fire Safety

Our hotels are equipped with adequate fire safety equipment including automatic smoke detectors, audible alarms, fire extinguishers and hydrants, portable firefighting equipment, emergency lighting, etc. We have defined clear fire safety procedures and responsibilities related to raising a fire alarm, containing/extinguishing the fire and evacuating the building in case of an incident. We conduct frequent emergency evacuation drills and regularly train our employees on fire safety measures.

Equipment Safety

We have designated trained operators at our hotels to ensure appropriate handling of all equipment. In addition, we have established detailed safety procedures that authorized personnel must follow to ensure proper use and maintenance of our equipment. We train our authorized personnel regularly on these procedures and other relevant equipment safety considerations.

Security

We have employed trained security personnel and installed search and monitoring equipment at all our hotels to ensure the security of employees, guests and other visitors. In addition, we have established detailed procedures for coordinated and consistent response to any security threats and incidents occurring at our hotels. The procedures provide details of steps to follow for security check, evacuation, and coordination, to minimize loss of life and property due to security incidents. The hotel also maintains a list of prohibited items and has systems in place to ensure such items are not brought into the hotel premises.

Sanitization

With the worldwide increase in infectious diseases such as dengue fever, typhoid fever, cholera, influenza and (over the last 2 years) COVID-19, we have strengthened hotel hygiene and cleanliness standards. All surfaces, including doorknobs, counters, tables, counters, room keys, EDC machines, general surfaces, etc., are regularly wiped and cleaned to remove dust and reduce germs. All public areas, including restaurants, banquets, lobbies, etc., are regularly disinfected with government approved hospital-grade chemicals to combat a wide range of viruses and bacteria.

Food Safety

We endeavour to ensure that the food and beverages prepared at our hotels are safe and healthy for the consumption and enjoyment of our guests. We have a detailed Food Production Manual which describes training requirements and procedures applicable to all employees involved in receiving, handling, storing, freezing, cooking, thawing, reheating, preserving, and serving food. We place great importance on maintaining personal hygiene in food handling in accordance with FSSAI guidelines.

Promotion of Employee Health

We place emphasis on fostering the good health and well-being of our employees. Our focus is on promoting employee wellness through initiatives such as health camps, smoking cessation programs, dietary advice, mental health workshops and physical fitness programs.

Community Well-being

We share a deep concern and have taken several measures to improve community health in areas around our hotels. Through our local hiring and procurement practices, we aim is to support local economic development leading to better outcomes for the community.

Risk Management

We conduct regular reviews to identify, assess and control H&S hazards through proper design, engineering and administrative controls, preventative maintenance, comprehensive H&S procedures, and safety training.

To minimize H&S hazards at our hotels, we conduct routine inspections on safety equipment, security systems, and cleanliness and hygiene of food and services.

Responsibilities

We have established an Occupational Health and Safety (OHS) Committee at the corporate level to review our OHS standards, rules and procedures. We have also set up unit-specific OHS committees to promote and monitor compliance with OHS regulations at the hotel level. The OHS committee is responsible for the identification and prioritization of appropriate mitigation actions based on the incident analysis reports.

In addition to the OHS committee, each hotel also has competent first aid personnel who are trained to attend to the first aid needs of our employees, guests and other visitors.

ESG Approach

Human Rights

8 DECENT WORK AND ECONOMIC GROWTH

Respecting, protecting and promoting human rights is central to Lemon Tree's corporate philosophy and values. We strive to operate our operations in accordance with international human rights standards such as the United Nations Universal Declaration of Human Rights (UDHR) and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work ("ILO Declaration") and other industry best practices.

Our efforts are aimed at driving community improvement and raising awareness among key stakeholders to address potential human rights abuses. The ultimate goal of our Human Rights Policy is to provide an overview of the expectations of employees and business partners, including third-party contractors. In addition to our human rights policy, we have a Supplier Code of Conduct that individually outlines our expectations from our suppliers.

ZERO
Cases of sexual harassment

ZERO
Case of discrimination

ZERO
Cases of child labour

We have a zero-tolerance policy against the use of any form of forced labour including prison labour, bonded labour, indentured labour, and human trafficking within our hotel premises

We recognize construction sites to be a human rights violation risk hotspot and actively engage with our contractors to prevent human rights violations of any kind

We do not tolerate abuse and/or exploitation of any kind

We focus to provide an appropriate work-life balance, best-in-class learning and development and early career advancement opportunities for all our employees

We have a no-tolerance policy towards any form of misconduct, disrespectful behaviour, unfair treatment, and harassment at the workplace

We are committed to the well-being of all our employees and a Vigilance Officer has been appointed who has specific and exclusive responsibility to investigate all reported violations and is accessible at ourvoice@lemontreehotels.com

Ethical supply chain management

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our commitment towards a responsible and sustainable supply chain goes beyond the traditional criteria for guiding our purchase decisions by extending our focus towards products/services that have a positive environmental and social footprint. In alignment with our corporate values, we have developed this Supplier Code of Conduct (the LTH Code or the Code) to ensure our suppliers incorporate sound sustainability practices across their operations.

The principles outlined in the Supplier Code of Conduct are in line with internationally recognized standards such as the International Labour Organization (ILO), United Nations Universal Declaration of Human Rights (UDHR) and global best practices. This code is applicable to all our suppliers.

GUIDING PRINCIPLES FOR SUPPLIERS

We expect our suppliers to exhibit compliance with the principles outlined in the LTH Code throughout their business activities. We also encourage our suppliers to set their own individual environmental, social and governance (ESG) goals in alignment with our Code.

ETHICS AND GOVERNANCE

- Legal Compliance
- No conflict of interest
- Anti-Corruption
- Record keeping
- Workers' Grievances

HUMAN RIGHTS

- Prohibition of Child Labour
- Anti-Human Trafficking and Slavery
- Fair Wages
- Decent Working Hours
- Anti-Discrimination

ENVIRONMENTAL SUSTAINABILITY

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

OCCUPATIONAL HEALTH & SAFETY

- Safe Working Conditions
- Fire Safety
- Worker Trainings
- Workers' Grievances

ESG Approach

Community development

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Corporate Social Responsibility (CSR) is a powerful tool that helps us bring about integrated and inclusive development. Over the years, we have prioritized the well-being of our local communities and have helped them build their resilience.

₹ 0.44 CR

In FY22, LTH's CSR expenditure totalled

LTH strongly believes in giving back to society and undertakes strategic CSR interventions that are centered around addressing crucial development needs of unprivileged and marginalized communities, thereby improving the quality of their lives. Our CSR efforts are not standalone in nature, rather they are closely linked with our business goals and activities, which in turn enables us to create a positive impact for our target beneficiary groups.

We collaborate with select NGOs to train and upskill youth with special needs with the objective of improving their employability. These NGO partners have an experience of over 2 decades of working with these communities. Our strategic NGO partners include Aasra Trust, Action for Ability and Inclusion (AADI), Action for Autism (AFA), Muskaan PAEPID, Noida Deaf Society, Sai Swayam Society and Sarthak Educational Trust.

We also encourage our employees to collaborate with old age homes, orphanages, Cheshire homes and more. Being an environmentally and socially responsible organization, we frequently undertake tree plantation and cleanliness drives in areas surrounding our hotels.

Leveraging our existing partnerships allows us to address societal issues that we deeply care about. While remaining responsive to the ever-changing needs of society, we continue to invest in our communities to generate opportunities and create sustainable solutions.

Corporate Governance

Our foundations lie in ethics and integrity

We believe that good corporate governance is an ongoing process and we strive to strengthen our practices to meet shareholders' expectations. Effective corporate governance is crucial to achieve positive business outcomes and sustainable long-term growth. We have a rich legacy that is anchored by the Board of Directors through multiple committees. This robust governance structure also enables us to address material ESG risks and opportunities. Our philosophy revolves around fair and transparent governance and disclosure practices. It is underpinned by the principles of concern, commitment, ethics, excellence and learning in all our actions with stakeholders.

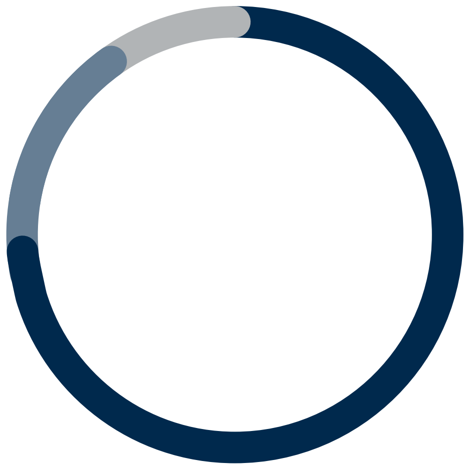
Material issues

- Brand and Reputation Management
- Data Privacy and Security
- Economic Performance
- Ethics and Transparency
- Regulatory Compliance

Governance framework

We are governed by the Board of Directors ('Board') which is the highest governance body of the Company. The Board is headed by the Executive Chairman and comprises Executive, Non-Executive and Non-Executive Independent Directors. The Board provides strategic direction to senior management in order to ensure long-term growth and sustainability. As on 31st March 2022, the Board comprised 10 directors including 1 woman director. Our board consists of 1 Executive, 2 Non-Executive and 7 Non-Executive Independent Directors.

Board Composition
(%)



70 Non-Executive Directors
20 Non-Executive Independent Directors
10 Executive Directors

Note: the details of Board of Directors are as of close of business hours on 31 March 2022

Corporate Governance

THE COMMITTEES OF THE BOARD

The Board has formed committees for distinct roles and responsibilities. These committees focus on specific areas within their authority, set the direction for that aspect, make informed decisions and make appropriate recommendations to the Board. The committees set up by the Board play a significant role in addressing concerns around ethics and transparency.

Nomination and Remuneration Committee

Formulates the 'Nomination and Remuneration Policy' that outlines the performance evaluation criteria for Independent Directors and the Board. The committee undertakes necessary approval/ recommendation with respect to appointment/reappointment of Director/KMPs

Risk Management Committee

Oversees the enterprise risk profile, articulates the risk management policy and recommends a risk mitigation strategy to the Board. The committee is responsible for identifying new risks and evaluating existing risks for continuity, identifying key risk owners, recommending key risk indicators measurement criteria and risk mitigation parameters

Stakeholder's Relationship Committee

Addresses investor grievances, shareholder related issues and transfer of securities. The committee is responsible for reviewing statutory compliances pertaining to share/security capital, processes, shareholders and depositories

Corporate Social Responsibility Committee

Articulates the CSR Policy along with recommending an annual CSR strategy to the Board. The committee is responsible for overseeing the CSR programs and impact evaluation

Audit Committee

Oversees the integrity of the accounting, auditing and reporting practices along with regulatory compliances. Chief Risk Officer, Statutory Auditors and Internal Auditors report to the Audit Committee

Corporate Ethics Committee*

Responsible for overseeing the enforcement of Lemon Tree's Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The committee is responsible for evaluating any POSH related complaints.

* this committee is constituted by the leadership team which reports to the Board.

BOARD'S EVALUATION

Our Board evaluates the performance the Board of Directors and its committees annually. The performance of the Board was evaluated by the Board after seeking feedback from the Directors on the basis of the criteria such as strategy, performance management, risk management, core governance and compliance, organization's health, and talent management. Independent Directors also evaluate the performance of Non-Independent Directors, Chairman and the Board as a body at a separate meeting of Independent Directors. The evaluation of all the directors and the Board as a whole is conducted based on the criteria and framework adopted by the Board.

CODE OF CONDUCT

We conduct our operations and business activities in an equitable and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour and aim to build and strengthen an culture of ethics and trust in the organisation.

Our Code of Conduct set outs the principles and standards that governs the actions of our company, associates, directors and employees, and requires each of them to observe the highest standards of business and personal ethics while conducting their affairs, duties and responsibilities. Our Code is applicable to all members of the Board and Senior Management Personnel, aligns with our vision and values and aims at creating an ethical and transparent processes in managing the affairs of the Company.

POLICIES

Our robust governance framework has established a number of codes and policies for effective management and productive collaboration between our stakeholders.

- Code of Conduct and Vigil Mechanism/Whistle Blower Policy
- Risk Management Policy
- Nomination and Remuneration Policy
- Corporate Social Responsibility ("CSR") Policy
- Dividend Distribution Policy
- Policy on Rotation of Auditors
- LTH Stakeholder Relations Policy
- LTH Anti-bribery and Anti-corruption Policy
- Determination of Material Subsidiary Policy
- Determination of materiality of Events and Information Policy
- Dividend Distribution Policy
- Code of Conduct for Regulation, Monitoring and Reporting of Trading by Insiders
- Preservation of documents and Archival Policy
- Related Party Transaction Policy
- LTH Environmental Policy
- LTH Waste Management Corporate Policy
- LTH Supplier Code of Conduct
- LTH ESG Policy
- LTH Climate Change Policy
- LTH Human Rights Policy
- LTH Health and Safety Policy

COMPLIANCE

Our Board of Directors and senior management ensure our compliance with regulatory laws, guidelines and specifications relevant to our business. During FY22, no fines or non-monetary sanctions were imposed on us by the Stock Exchanges, SEBI or any statutory authority on any matter related to the capital markets for any violations. No proceedings were filed for anti-competitive acts or antitrust violations.

Board Demographics

Our Board is a combination of experts from diverse backgrounds, qualifications, skills and experiences that guide our business in a rapidly evolving industry.

Our Eclectic Board and Board Committees

LTH

78.18%
Board Attendance

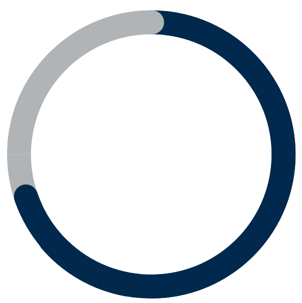
1
Woman Director

5
Board Meetings During FY22

20
Board Committee Meetings During FY22

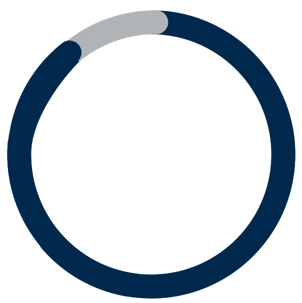
4.06 YEARS
Average Tenure

Board Independence
(%)



70 Independent Directors
30 Non-Independent Directors

Gender Diversity
(%)



90 Male Directors
10 Female Directors

Our Accomplishments

Travelers' Choice 2022

In **FY 22**, 29 out of 41* owned/leased hotels awarded the **Travelers' Choice Award by Tripadvisor:** Aurika (1); Lemon Tree Premier (7); LTH (12); Red Fox Hotels (4); Keys Select (5)

As a group (including managed hotels) 61 out of 80* hotels were awarded the **Travelers' Choice Award by Tripadvisor.** This award is presented to recognize hotels and hotel groups that earn consistently great traveler reviews. Approximately 10% of businesses listed on Tripadvisor receive a Travelers' Choice award.

*eligible for FY22

Investing in People Award, Tourism for Tomorrow Awards 2019, **World Travel & Tourism Council**

Green Champion Award 2018, **Indian Green Building Council (IGBC)**

Gold Certification (6 hotels), **Indian Green Building Council (IGBC)**

Boldness in Business Award for Corporate Responsibility/ Environment 2018, **Financial Times Arcelor Mittal**

Role Model Company 2017 and 2012, **NCPEDP Hellen Keller Award**

Exemplary Practice Award 2014: for hiring People with Disabilities, **Cornell University**

Best Employer – National Award, 2016 and 2011; Outstanding Work in the Creation of a Barrier-free Environment for Persons with Disabilities, 2012, **Ministry of Social Justice and Empowerment, Government of India**

#12 Best Large Workplaces in Asia 2018, #4 Best Company in India 2017, **Great Places To Work Institute**

#19 Best Company in Asia 2017, **Great Places to Work Institute**

Among the best in the Special Category – Employer Branding 2017; Utilizing Analytics to Drive **Great Place to Work Initiative 2017, Great Places to Work Institute**

Among the best in the industry – Hotels & Resorts 2017, **Great Places to Work Institute**

Asian Human Capital Award 2015: Innovative and Impactful People Practices, **Ministry of Manpower (Singapore) and Human Capital Leadership Institute**

Other Accomplishments**

Best Differently Abled Friendly Hotel, **FICCI Travel & Tourism Excellence Awards 2019**

Best 3-star Hotel, **FICCI Travel & Tourism Excellence Awards 2019**

Purpose-Led Brand Award 2019, **BW Pure Award**

IT Excellence Award, **The Indian Express**

Best Responsive Company Award 2019: **Schneider Electric**

Corporate Excellence Awards for Best CSR Practices 2019, **Amity School of Science and Technology**

Best 3 Star Hotel Award Category, **National Tourism Award 2016-17**

Leadership Awards for Business Excellence by Leveraging IT 2018, **Amity School of Science and Technology**

Best Loyalty Program in Services Sector 2018, **Customer Loyalty Awards**

Model Employer for Persons with Disabilities 2017, **Dr. Anji Reddy Memorial Award**

Equal Opportunity Employer 2015, **BW Hotelier HR Excellence Award**

Equal Opportunity Employer 2016, **BW Hotelier Editor's Choice Award**

Excellence in Diversity and Inclusion 2016, **HR Innovation Award**

Sustainable Communities 2015, **HICAP Sustainable Hotel Award**

Corporate (responsible business) for creating visual aids with sign language for differently abled employees 2015, **NASSCOM Award**

Equal Opportunity Award 2014, **Nipman Foundation**

Empowerment/CSR (Corporate Social Responsibility) 2013, **AajTak Care Awards**

**All owned/leased/managed/franchised hotels included

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This report has been prepared in accordance with the GRI Standards: Core option.

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403-5	Worker training on occupational health and safety	Health and Safety	74-75
403-6	Promotion of worker health	Health and Safety	75
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety	74-75

Indicator	Description	Response and/or References	Page No.
403-8	Workers covered by an occupational health and safety management system	Health and Safety	74-75
403-9	Work-related injuries	Health and Safety	74
403-10	Work-related ill health	Health and Safety	74
404 Training and Education			
404	Management approach disclosure	Materiality Assessment, Learning and development	38,67-72
404-1	Average hours of training per year per employee	Value Creation model	28
404-2	Programs for upgrading employee skills and transition assistance programs	Learning and development	67-72
404-3	Percentage of employees receiving regular performance and career development reviews	Learning and development	67-72
405 Diversity and Equal Opportunity			
405	Management approach disclosure	Materiality Assessment	38, 62-64
405-1	Diversity of governance bodies and employees	Board of Directors, Corporate governance	10-13, 84
406 Discrimination			
406	Management approach disclosure	Materiality Assessment	38-39
406-1	Incidents of discrimination and corrective actions taken	Human Rights	76
407 Freedom of Association and Collective Bargaining			
407	Management approach disclosure	Right to association policy	66
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Introduction of new policy - Right to association policy	66
408 Child Labor			
408	Management approach disclosure	Materiality assessment	39
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights	76

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Indicator	Description	Response and/or References	Page No.
409 Forced or Compulsory Labor			
409	Management approach disclosure	Materiality assessment	39, 77
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, Business responsibility report	76-77, 166
410 Security Practices			
410	Management approach disclosure	Materiality assessment	39
410-1	Security personnel trained in human rights policies or procedures	Health and Safety	74
412 Human Rights Assessment			
412	Management approach disclosure	Materiality Assessment, Human Rights	39, 76-77
412-1	Operations that have been subject to human rights reviews or impact assessments	NA	NA
412-2	Employee training on human rights policies or procedures	Human Rights, Ethical supply chain management	76-77, 78
413 Local Communities			
413	Management approach disclosure	Materiality Assessment, Community development	39, 79
413-1	Operations with local community engagement, impact assessments, and development programs	Community Development	79
418 Customer Privacy			
418	Management approach disclosure	Materiality assessment	39
418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	No known significant breaches occurred during the reporting period.	
419 Socioeconomic Compliance			
419	Management approach disclosure	Materiality assessment	39
419-1	Non-compliance with laws and regulations in the social and economic area	No known significant non-compliances were noted during the reporting period.	

Assurance Statement

Felix Advisory
Innovating financial solutions

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Board: +91 124 4252720
Web: www.felixadvisory.com
Email: info@felixadvisory.com

Strictly Private & 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 2021-22** (*hereinafter 'the Report'*) for the period April 1, 2021, to March 31, 2022, 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 2021 to 31st March 2022.

Management's Responsibility

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

CIN: -U74140DL2013PTC248762

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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 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; financial expenditure reported as Economic value distributed to Suppliers, Community, Colleagues/Employees & Shareholders; 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

Assurance Company did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report, and any data or information pertaining outside the defined reporting period *(i.e., 1st April 2021 to 31st March 2022)*. Consequently, there is no assurance/conclusion being provided on the same.

During the assurance process, assurance company did not come across any limitation to the agreed scope of the assurance engagement. Assurance company expressly disclaims any liability or co-responsibility for any decision a person or entity would make 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.

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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.
- **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.

CIN: -U74140DL2013PTC248762

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- **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, in keeping with the <IR> Framework and the Company's reporting principles and criteria.

For Felix Advisory Private Limited

Prashant Sharma
Authorized Signatory
Date: - 18 -August -2022
Place: - Delhi

CIN: -U74140DL2013PTC248762

Management Discussion and Analysis

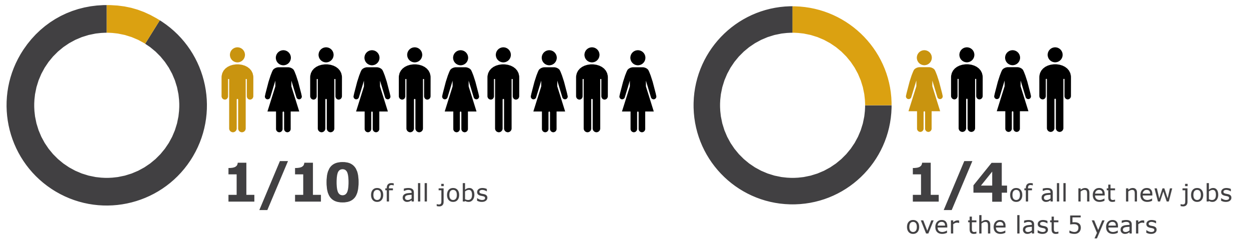
MACROECONOMIC OVERVIEW

The bygone financial year has seen recovery despite recurrent waves of the pandemic and geo-political challenges. Accelerated vaccination rollouts, coupled with safety adherence and hygiene norms have largely helped neutralise the virus spread. Businesses that had previously taken austere measures to protect their cashflows and profitability, are now steadily nearing a revert to pre-pandemic levels. The measures taken during the pandemic in terms of redefining supply chains, embracing digitalisation of processes and reskilling workers have yielded huge benefits for companies and calibrated them to navigate complex challenges.

Prior to the pandemic, the travel and tourism industry that accounted for 1 in 4 of all net new jobs created across the world (direct and indirect) (Source: WTTC Research, Economic Impact) faced the full brunt of the pandemic in the last two financial years.

Travel & Tourism remains an important driver for job creation across the world and a dynamic engine of employment opportunities:

330 millions jobs



(Source: WTTC Research, Economic Impact)

While most sectors have improved, the hospitality sector is still in recovery mode and has yet to see the exponential growth that other sectors have witnessed. Despite all of this, India's long-term outlook looks stable and conducive to growth with India's exports touching an all-time high of $ 600 billion in FY22 and the country's foreign exchange reserves aiding the exchange rate remaining in check. The country has grown at a GDP rate of 8.7% in FY22 as compared to a contraction of 8.0% in FY21. Going forward, there might be immediate challenges in the form of the Ukraine-Russia war and supply chain crisis but India is poised for long term growth. The normalisation in the contact-based service sector and revival of capital expenditures on the back of the PLI scheme will keep the growth engines running and this bodes well for the hospitality sector as well.

Electricity demand, which is a reliable proxy for growth has become substantially high, far exceeding its supply. Goods and services tax collections have been at their highest ever mark of ₹ 1.68 lakh crores for the month of April 2022 (Source: Ministry of Finance), strongly indicating that manufacturing and services production have grown exponentially. India's growth was accentuated due to high inflow of FDI, which stood at highest ever annual FDI inflow of $ 83.57 billion in FY22. (Source: Ministry of Commerce & Industry)

With restrictions now largely eased, there is a rising trend of destination events like weddings and anniversary celebrations. The reflection of these trends is evident in the robust contribution of the tourism and hospitality industry to the national GDP. The contribution of the tourism and travel industry to GDP for India is expected to be $ 512 billion by 2028, generating 53 million jobs by 2029 (Source: Invest India Sector Snapshot). India has a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism, which are set for high growth due to favorable government policies following the pandemic. According to the Ministry of Tourism, Foreign Tourist Arrivals in India for FTAs in March 2022 were at 3,42,308 with a positive growth rate of 177.9% as compared to 1,23,179 in March 2021. (Source: Ministry of Tourism and Bureau of Immigration)

Top 15 percentage share of Foreign Tourist Arrivals by airports

Airport	% Share
Delhi	41.58
Mumbai	14.55
Chennai	10.08
Bengaluru	5.86
Hyderabad	4.85
Kolkata	4.55
Cochin	4.25
Haridaspur	4.01
Ahmedabad	3.47
Trivandrum	1.24
Goa	1.02
Gede Land Check	0.86
Amritsar	0.83
Tiruchirappalli	0.65
Agartala	0.64

Top 15 percentage share of Foreign Tourist Arrivals in India during March 2022

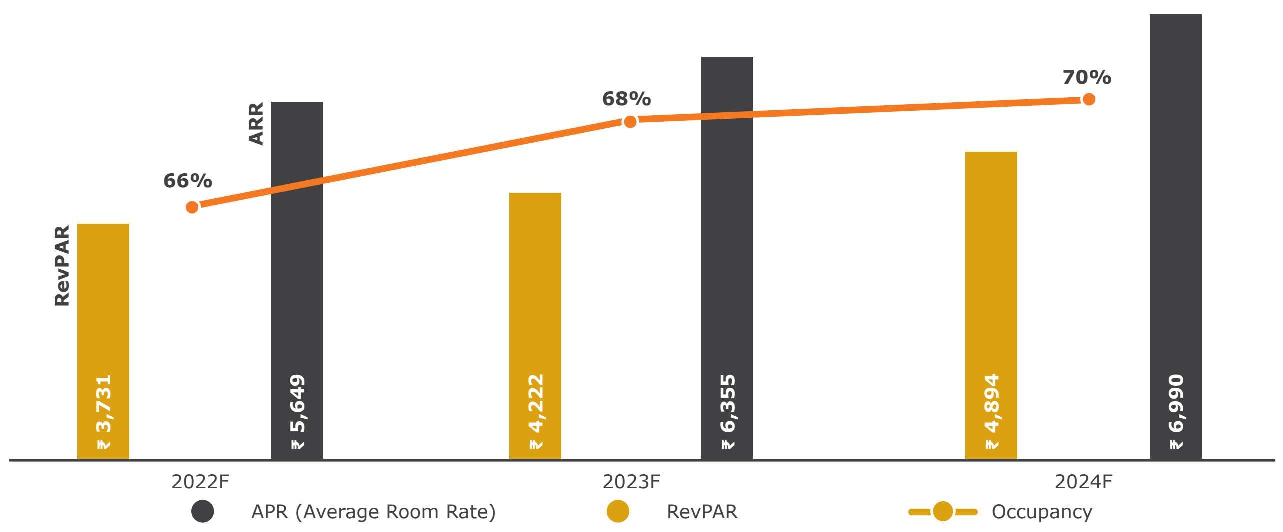
Country	% share
USA	24.58
UK	14.01
Bangladesh	11.78
Canada	6.86
Australia	5.68
Srilanka	4.30
Nepal	3.10
Germany	1.94
Singapore	1.79
France	1.69
Maldives	1.51
Portugal	1.27
Russian Federation	1.00
Oman	0.95
Italy	0.93

In the current economic scenario, with travel restrictions easing across the country as well as in most parts of the world, there is great growth potential to be tapped in the near term for the tourism and hospitality industry. Being a high fixed cost business, the focus is to variabalise the fixed costs and transform the operating model into a leaner and more flexible one. The hospitality industry had to reinvent its product and service offering and explore new business segments beyond traditional segments. Domestic demand started showing gradual signs of improvement, with a rise in retail and corporate bookings with demand now outpacing supply.

INDUSTRY OUTLOOK

With increasing momentum of the vaccination drive, travel demand gradually started improving in the country. Declining CoviD cases and easing of travel restrictions across the country, along with pent-up travel demand led to the revival of the industry.

After peeking ADR and occupancy in FY19, FY20 saw a dip due to the initial impact of the pandemic,. However, FY22 witnessed quick recovery in ARR and occupancy despite recurrent Covid waves. According to HVS Anarock, occupancy and ARR is expected to return to Pre-Covid levels by the end of CY22 and by mid-CY23, respectively.



Source: HVS Anarock, India Hospitality Industry Overview 2021

HVS anticipates the following trends in the years ahead (key takeaways from HVS Anarock, India Hospitality Industry Overview 2021):

- Hotels will be looking to maximise revenue by looking towards generating income through **multiple revenue streams** - EV charging stations, co-working spaces, leased kitchens, monetising of parking spaces, development of souvenirs and merchandise for the hotel
- Midscale and Upscale hotels will be looking to **outsource their restaurant capabilities** to third-party lessees and operators whose expertise will elevate customer experience leading to higher F&B revenues and earnings
- Hotels will be looking to revamp their SOPs, cross-train and upskill employees to **solve the problem of high attrition rate** plaguing the industry. Increased use of technology and delivering more with less will drive the hotel industry following the pandemic
- Luxury hotels will be **looking to redesign their properties** with more demonstrated and boutique features complemented with smart tech and other technological strengths while midscale and lower segment hotels will be looking to lower operating costs and **avoiding any further disruptions** caused by pandemic or any other event
- **Keeping a reign on debt** will be the top priority of hotel owners and operating companies. Highly leveraged companies were severely impacted during the pandemic and companies will be looking to avoid any unnecessary liabilities
- **Standalone hotels will be keen to join larger hotel chains** to leverage the host of services that they have to offer such as advanced booking systems, worldwide distribution and better marketing platforms

- As travellers opt for smaller and intimate places for their getaways, **unorthodox accommodation options** such as villas and home rentals are all **set to disrupt the hotel industry in the future**

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 travellers. This segment is a predominant source of demand for hotels located in business-oriented locations such as Gurugram, Bengaluru, Hyderabad, and Pune. This demand started to restore due to easing of travel restrictions across the country. FY22, saw good MSME travel and large corporate travel also picked up as a significant section of the Indian population was vaccinated and corporate offices were reopened.

Leisure travel

Leisure travel comprises vacation travel, including short-duration outings. 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 concentrated in destinations such as Goa, Udaipur, Jaipur, and Dehradun, among others. Business-oriented locations also attract staycations over the weekend or even leisure business if the city is also a tourist destination, like New Delhi. FY22 saw full recovery in leisure travel, travel to drive-by destinations picked up exponential pace with demand now outpacing supply. In the short-medium term, the 25 million outbound Indian travellers will be an attractive segment for the Indian market.

MICE demand

The MICE segment is mainly corporate-driven i.e. conferences, training programmes, and other events that are customer-facing and interactive. This demand tends to arise during the working week and occurs across all months of the year, barring the main holiday periods and the months between March and May. 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. FY22 has seen a huge uptick in MICE business, which is poised to rise further if the Covid outbreak does not recur.

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 FY22, as lockdown and travel restrictions came down around the country, pent-up demand for weddings and social travel witnessed healthy growth numbers.

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 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. The segment witnessed a sustained increase in demand and is set for further growth as airlines are now operating at full capacity.

Transit demand

Persons at 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 that are connected through a regional hub.

Supply composition by city

The top 10 markets (based on hotel room inventory) in India had 66% of rooms supply in FY19 and each market has at least 3,000 chain affiliated hotel rooms. The share of the top 10 markets will get reduced to 60% by FY26 as per Hotelivate, as only 40% new supply planned till FY24 is in the top 10 key markets. This supply slowdown along with growing demand will lead to significant occupancy improvements going ahead in the top 10 key markets

The following table sets forth the supply of branded chain affiliated hotel rooms in the top 10 markets

Market	FY 16 (K)	FY 26E (K)
New Delhi	14.1	15.7
Mumbai	13.0	16.3
Bengaluru	11.5	18.7
Chennai	7.5	10.3
Hyderabad	5.9	7.0
Goa	5.5	9.3
Pune	6.1	7.5
Gurugram	5.1	7.6
Jaipur	4.9	7.2
Kolkata	2.7	5.0
Top 10 Market	**76.3**	**104.6**

Source: The Stats Pulse Report by Hotelivate FY21

BARRIERS TO ENTRY

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

Land: Availability of land at an appropriate location and 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.

Regulatory approvals: Hotels require several approvals and licences starting from land approval for end-use to hotel opening. The process of obtaining approvals is time-consuming and uncertainties associated with it lead to delays in these openings, which further results in cost escalation, difficulty in servicing debt obligations, and sometimes impacting the project quality.

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. Additionally, interest rates tend to be high. Hotel projects also require sizeable equity capital for meeting cash shortfalls during project development. 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. An increase in interest rates poses a threat to our expansion plans as the cost to fund new projects goes up.

KEY RISKS TO THE BUSINESS

Economic and industry risk

A slowdown of 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. However, maintaining the same has been challenging owing to supply side disruptions and geo-political tensions; increase in power and fuel costs and rise in price of airline tickets which directly affects the price sensitive customer of the hospitality sector. A rise in procurement costs due to increase in commodity price puts strain on expenses expenses and may be further impacted due to the inflationary environment. As people start travelling more as an outcome of pent-up demand, we will have to strengthen our proposition to continue providing our customers more value for their money and better deals, which will aid in driving prices down in the short run.

- **Mitigation –** We receive ~85% of our business from domestic Indian travellers. We have built 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. We have over 1.30 million loyalty members, which on average contribute to 20% of the room sales daily. As leaders in the mid-priced hotel segment, our goals are aligned with the aspirations of the expanding middle class. During FY22, we were focused on cost rationalisation and ARR restoration, vis-a-viz, pre-Covid. With such flexible business strategies and an agile sales network, we registered accelerated recovery of occupancy and ARR in FY22. 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 renegotiated our purchase contracts with our suppliers of raw material to bring down our procurement costs. All efforts combined, we recorded positive hotel level operating profits at the group level throughout the two years of the pandemic. With a leaner structure and improved operating metrics, we are well-positioned to register better operating margins on a stable basis.

Financial risk

The liquidity position of leading hospitality chains around the world is going to strengthen as the hospitality industry looks to capture pent-up demand, which will lead to positive operating EBITDA for the quarters, going ahead. Being a capital-intensive industry, most of the leading players are leveraged and may find a challenge servicing their interest and principal repayment obligations. Thus, we plan to optimise costs and grow in an asset-light way with emphasis on managing and franchising.

- **Mitigation –** We adopted a two-pronged approach to tackle the challenges around our liquidity position in the near term. Throughout FY22, our sequential focus was on cost optimisation-ARR recovery-EBITDA expansion. Our operations team worked diligently to find multiple ways to reduce our operating costs along with ARR growth. This enabled us to register positive operating EBITDA and not incur cash loss at the operating level for FY22. Additionally, we ensured timely fund arrangements, which provide us with the necessary support in honouring our debt obligations and continuing our organic and inorganic expansion.

Geographic risk

Hospitality being an unorganised and highly fragmented industry has intense competition within geographic regions, which may impact our market share. A significant portion of our revenue comes from hotels in a few geographic regions and any adverse development affecting these regions could hurt our business.

- **Mitigation –** As of March 31, 2022 we have presence across 52 cities within the country and in 2 overseas cities. To diversify our regional presence, we opened 4 new properties in Bhubaneshwar, Dehradun, Neelkanth and Coorg in FY22. This enabled us to cater to the unaddressed demand in these 4 cities and capture a larger share of the outbound traffic from these cities to others where we are already operational. We further diversified into international locations, which helped us take a step towards decreased reliance on the domestic market, in search of novel growth avenues.

Health and safety

To ensure the complete safety of our employees and our guests, we launched an innovative health and hygiene programme, Rest Assured, showcasing our commitment to creating an environment focused on health, hygiene, safety, and well-being. This initiative is in collaboration with Diversey, a global leader in smart, sustainable cleaning and hygiene solutions. As part of this initiative, Diversey is providing us with US EPA-approved safe chemicals, operating checklists, training, and support materials to add to our repertoire of processes and procedures.

OPERATING RESULTS

₹ in Lakhs

	Year ended		% change
	March 31, 2022 (Audited)	March 31, 2021 (Audited)	
Income			
Revenue from operations	40,224	25,172	59.80%
Other income	1,403	1,326	5.82%
Total income	**41,627**	**26,498**	**57.10%**
Expenses			
Cost of food and beverages consumed	2,785	1,784	56.12%
Employee benefit expenses	9,732	7,039	38.25%
Other expenses:			
- Power and fuel	4,375	3,274	33.63%
- Stamp duty expense	1,525	-	-
- Others	9,940	6,948	43.07%
Total expenses	**28,358**	**19,045**	**48.90%**
Profit before depreciation and amortisation, finance cost, finance income	**13,269**	**7,453**	**78.04%**
Finance cost	18,094	19,046	-5.00%
Finance income	-696	-873	-20.31%
Depreciation and amortisation expense	10,435	10,755	-2.98%
Net (loss)/profit before tax and share of associates	**-14,563**	**-21,475**	
Add: Share of profit/(Loss) of associates	104	-400	
Loss before tax	**-14,459**	**-21,874**	
Tax expense:			
- Current tax	25	-2	
- Deferred tax			
- Deferred tax (income)/expense related to current year	-748	-3,219	
Net loss after tax	**-13,736**	**-18,654**	
Other comprehensive income/(loss)			
Items that will not be reclassified to profit and loss			
Re-measurements of defined benefit plans	45	-24	
Income tax effect	-2	1	
Total comprehensive loss	**-13,693**	**-18,676**	
Cash profit	**-3,258**	**-2,081***	

*After adjusting for interest capitalisation of ₹ 58.2 Cr

Income

Our total income increased by 57% from ₹ 26,498 lakhs during FY21 to ₹ 41,627 lakhs during FY22.

- Revenue from operations increased by 60% from ₹ 25,172 lakhs for FY21 to ₹ 40,224 lakhs for FY22. This was driven by recovery in the hospitality industry and by:
  - ARR led revenue flow through. Our ARR saw an increase of 32.2% in FY22 as compared to FY21
  - The revenue from Food and Beverages increased by 71% from ₹ 3,394 lakhs for FY21 to ₹ 5,808 lakhs for FY22
  - Occupancy% increased from 39.8% in FY21 to 46.1% in FY22.
- Our total revenue from managed hotels increased by 128% from ₹ 768 lakhs for FY21 to ₹ 1,758 lakhs for FY22.
- Other income increased by 6% from ₹ 1,326 lakhs for FY21 to ₹ 1,403 lakhs for FY22.

Expenses

As operations gradually opened during the year, total expenses increased by 49% from ₹ 19,045 lakhs for FY21 to ₹ 28,358 lakhs for FY22.

- The cost of Food and Beverages consumed increased in line with the increase in Food and Beverages revenue from ₹ 1,784 lakhs for FY21 to ₹ 2,785 lakhs for FY22. The cost of food and beverages consumed as a percentage of Food and Beverages revenue improved from 53% for FY21 to 48% for FY22
- Employee benefit expenses increased by 38% from ₹ 7,039 lakhs for FY21 to ₹ 9,732 lakhs for FY22 owing to restoration of salary cuts in a staggered manner and redeployment of the workforce
- Power and fuel expenses increased by 34% from ₹ 3,274 for FY21 to ₹ 4,375 lakhs for FY22, owing to an increase in occupancy and change in business mix
- Other expenses increased by 43% from ₹ 6,948 for FY21 to ₹ 9,940 for FY22, which is due to increase in overall business activities
- We incurred stamp duty expense in FY22 (pertaining to the merger of subsidiary companies) amounting to ₹ 1,525 lakhs. This is a non-recurring expense and is in line with our business strategy

EBITDA

Our EBITDA (before stamp duty expense) increased by 99% from ₹ 7,453 lakhs for FY21 to ₹ 14,794 lakhs for FY22. EBITDA margins (before stamp duty expense) increased by 741 bps from 28.1% for FY21 to 35.5% for FY22. This was majorly due to numerous cost rationalisation and cost control measures, reset of segments and accounts mix, and focused strategy to restore Pre-Covid ARRs.

Our EBITDA (after stamp duty expense) increased by 78% from ₹ 7,453 lakhs for FY21 to ₹ 13,269 lakhs for FY22. EBITDA margins (after stamp duty expense) increased by 375 bps from 28.1% for FY21 to 31.9% for FY22.

Depreciation and amortisation

Depreciation and amortisation expense decreased by 3% from ₹ 10,755 lakhs for FY21 to ₹ 10,435 lakhs for FY22 primarily due to the completion of useful life of certain assets.

Finance costs

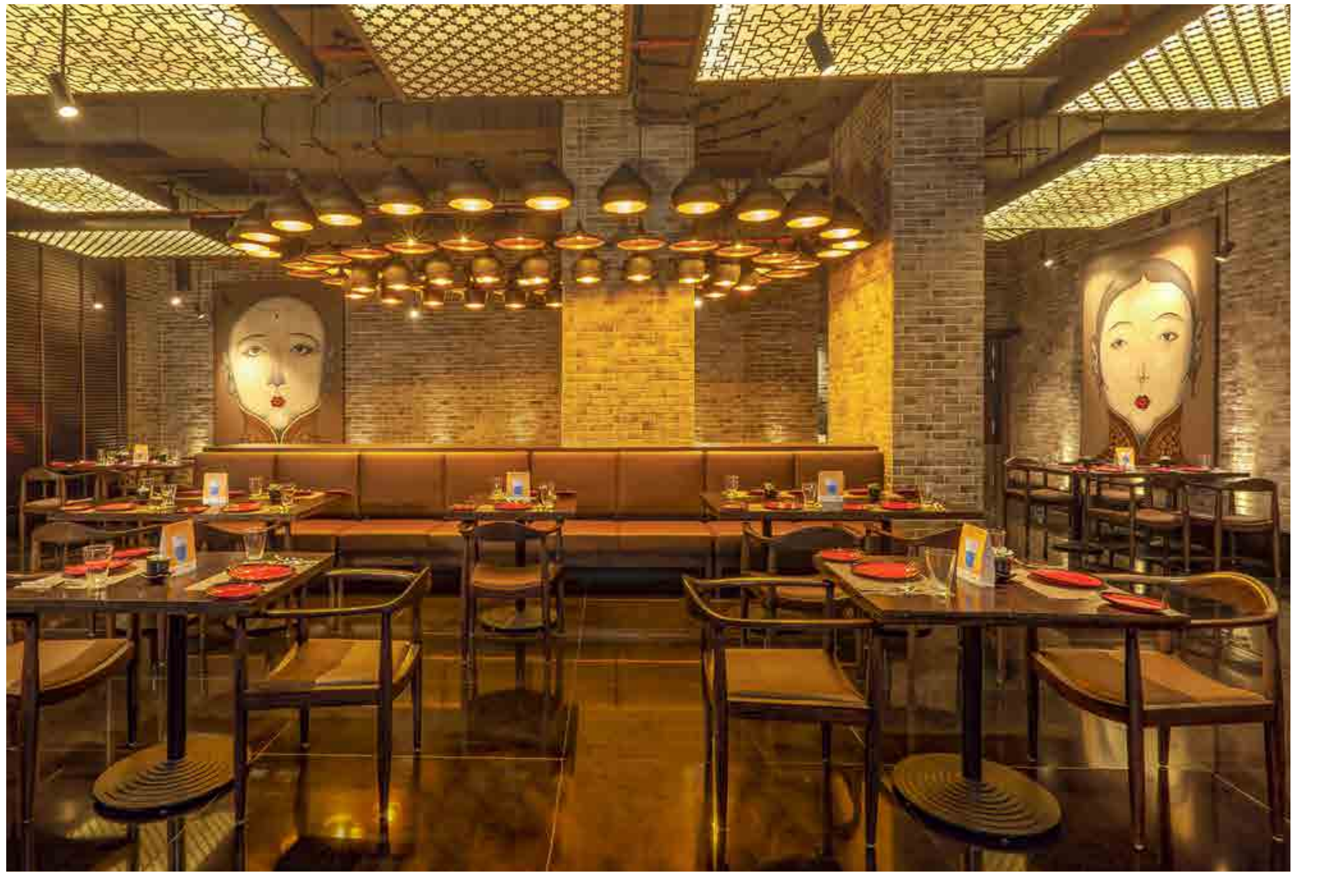
Total debt marginally increased by <1% from ₹ 168,527 lakhs for FY21 to ₹ 1,69,865 lakhs for FY22. The finance cost decreased by 5% from ₹ 19,046 lakhs for FY21 to ₹ 18,094 lakhs for FY22. The finance cost decreased due to reduction of our weighted average cost of debt (at the end of the year) by 28 bps from 8.28% for FY21 to 8.00% for FY22

Profit for the year (PAT)

Our comprehensive loss for the year decreased from ₹ 18,676 lakhs for FY21 to ₹ 13,693 lakhs for FY22. The improvement was majorly owing to the up-tick in operations and the cost control measures deployed by us.

Cash profit (PAT + Depreciation)

Our cash loss for the year decreased from ₹ 7,901 lakhs (before adjusting for interest capitalisation of ₹ 58.2 Crores) which is Rs. 2081 lakhs after interest capitalisation of ₹ 58.2 Crores for FY21 to ₹ 3,258 lakhs for FY22.



Performance of owned/leased hotels by brand (FY22 vs FY21)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel Level EBITDAR/ Room (Rs. Lakhs)			Hotel Level EBITDAR Margin %		
By Brand	FY22	FY21	Change (bps)	FY22	FY21	Change (%)	FY22	FY21	Change (%)	FY22	FY21	Change (bps)
AHR	36.4%	23.3%	1312	13574	9842	37.9%	15.2	6.0	154.6%	62.5%	51.6%	1088
LTP	59.3%	53.4%	589	3658	2756	32.7%	4.1	2.2	82.9%	40.8%	34.5%	633
LTH	46.3%	37.4%	888	3418	2681	27.5%	2.6	1.3	95.6%	34.5%	27.9%	651
RFH	41.2%	36.0%	512	2657	2006	32.4%	1.4	1.0	42.5%	31.4%	33.7%	-226
Keys	29.8%	26.9%	289	2177	1885	15.5%	0.6	0.4	38.4%	17.7%	16.3%	139

Aurika

ADR increased by 38% from ₹ 9842 for FY21 to ₹ 13,574 for FY22. Occupancy increased by 1,312 bps from 23% for FY21 to 36% for FY22. EBITDAR/room increased by 154% from ₹ 6 lakhs for FY21 to ₹ 15.2 lakhs for FY22. EBITDAR margin increased by 1,088 bps from 52% for FY21 to 63% for FY22.

Lemon Tree Premier

ADR increased by 33% from ₹ 2756 for FY21 to ₹ 3658 for FY22. Occupancy increased by 589 bps from 53% for FY21 to 59% for FY22. EBITDAR/room increased by 83% from ₹ 2.2 lakhs for FY21 to ₹ 4.1 lakhs for FY22. EBITDAR margin increased by 633 bps from 35% for FY21 to 41% for FY22.

Lemon Tree Hotels

ADR increased by 28% from ₹ 2,681 for FY21 to ₹ 3,418 for FY22. Occupancy increased by 888 bps from 34% for FY21 to 46% for FY22. EBITDAR/room increased by 96% from ₹ 1.3 lakhs for FY21 to ₹ 2.6 lakhs for FY22. EBITDAR margin increased by 651 bps from 28% for FY21 to 35% for FY22.

Red Fox Hotels

ADR increased by 32% from ₹ 2,006 for FY21 to ₹ 2,657 for FY22. Occupancy increased by 512 bps from 36% for FY21 to 41% for FY22. EBITDAR/room increased by 44% from ₹ 1 lakhs for FY21 to ₹ 1.4 lakhs for FY22. EBITDAR margin decreased by 226 bps from 34% for FY21 to 31% for FY22.

Key hotels

ADR increased by 16% from ₹ 1,885 for FY21 to ₹ 2,177 for FY22. Occupancy increased by 289 bps from 27% for FY21 to 30% for FY22. EBITDAR/room increased by 38% from ₹ 0.4 lakhs for FY21 to ₹ 0.6 lakhs for FY22. EBITDAR margin increased by 139 bps from 16% for FY21 to 18% for FY22.

Board's Report

TO
THE MEMBERS
OF LEMON TREE HOTELS LIMITED

Your Directors have pleasure in presenting the Thirtieth (30th) Annual Report of the Company together with audited Financial Statements for the Financial Year ended March 31, 2022.

FINANCIAL RESULTS AND OPERATIONS

The financial performance on the basis of Standalone & Consolidated Financial Statements for the year ended March 31, 2022 is summarized below:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
Revenue from Operations	12,918.90	7,991.57	40,224.01	25,172.04
Other Income	298.51	402.87	1,402.99	1,325.88
Total Income	13,217.41	8,394.44	41,627.00	26,497.92
Total Expenses	8,920.25	6,419.65	28,357.76	19,045.09
Profit before depreciation and amortization, finance cost, finance income, exceptional items and tax	**4,297.16**	**1,974.79**	**13,269.24**	**7,452.83**
Less: Finance Costs	4,794.36	4,819.30	18,093.70	19,045.72
Less: Finance Income	(339.73)	(300.87)	(695.92)	(873.32)
Less: Depreciation and amortization	2,103.29	2,251.03	10,434.75	10,755.32
Loss before exceptional items and Tax	**(2,260.76)**	**(4,794.67)**	**(14,563.29)**	**(21,474.89)**
Less: Exceptional items	-	592.07	-	-
Share of Profit/Loss of associate	-	-	104.06	(399.53)
Loss before Tax	**(2,260.76)**	**(5,386.74)**	**(14,459.23)**	**(21,874.42)**
Tax expense:				
- Current tax	-	-	25.24	(1.57)
- Deferred tax				
Deferred tax income related to current year	(654.98)	(1,313.67)	(748.30)	(3,218.68)
Loss for the year	**(1,605.78)**	**(4,073.07)**	**(13,736.17)**	**(18,654.17)**
Add: Other Comprehensive Income net of taxes	4.60	(3.33)	42.97	(22.20)
Total Comprehensive Loss for the year	(1,601.18)	(4,076.40)	(13,693.20)	(18,676.37)
Less: Non - controlling Interest	-		(4,975.98)	(5,957.79)
Total Comprehensive Loss for the year attributable to Equity Holders of the Parent	**(1,601.18)**	**(4,076.40)**	**(8,717.22)**	**(12,718.58)**
Loss Per Equity Share (Face value of ₹ 10/- each)				
Basic	(0.20)	(0.52)	(1.11)	(1.61)
Diluted	(0.20)	(0.52)	(1.11)	(1.61)

Further, key financial and operational highlights of our Company are also provided in the management discussion and analysis report forming part of this Report.

CAPITAL STRUCTURE

Authorised Share Capital

The Authorised Share Capital of the Company is ₹ 10,02,89,00,000 divided into 1,00,14,40,000 Equity Shares of ₹ 10 each and 1,45,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each.

Paid-up Share Capital

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

OPERATIONAL HOTELS AND UPCOMING PROJECTS

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 Financial Year under review.

The details of operational hotels and upcoming projects are given in the "Corporate Insight" Section of this Report.

AWARDS AND RECOGNITION

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

- Awarded Trip Advisor Travellers Choice Award 2021

  68 out of 79 hotels awarded Traveller's Choice Award by TripAdvisor

  - o Lemon Tree Premier - 12
  - o Lemon Tree Hotels - 35
  - o Red Fox Hotels - 12
  - o Keys Select - 7
  - o Sandal Suites - 1
  - o Aurika - 1

- Keys Select by Lemon Tree Hotels, Thiruvananthapuram – Awarded Chief Minister's Excellence Award for Labour Welfare

- Lemon Tree Premier, Dwarka – Awarded by Asia's Biggest Tourism Awards, organized by the Ministry of Tourism Gujarat:

  - o Best 4 Star Hotel in Dwarka
  - o Best Restaurant in Dwarka
  - o Best MICE Venue in Dwarka

- Awarded Hotelier India Awards 2021

  8 LTH team members made it to the finalist positions in different categories/regions, with 4 winners and 4 runners up

BOARD OF DIRECTOR'S & KEY MANAGERIAL PERSONNEL(KMP'S)

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

S. No.	Name of Directors/ KMP's	Designation
1	Mr. Patanjali Govind Keswani	Chairman & Managing Director
2	Mr. Rattan Keswani*	Deputy Managing Director
3	Mr. Willem Albertus Hazeleger	Director
4	Mr. Aditya Madhav Keswani	Director
5	Mr. Ashish Kumar Guha	Independent Director
6	Mr. Arvind Singhania	Independent Director
7	Mr. Paramartha Saikia	Independent Director
8	Ms. Freyan Jamshed Desai	Independent Director
9	Mr. Pradeep Mathur	Independent Director
10	Dr. Arindam Kumar Bhattacharya	Independent Director
11	Mr. Niten Malhan	Independent Director
12	Mr. Kapil Sharma	Chief Financial Officer
13	Mr. Nikhil Sethi	AVP Legal & Group Company Secretary

* Resigned w.e.f closing hours of March 31, 2022

CHANGES IN BOARD OF DIRECTORS/KMPS

Appointments

During the Financial Year under review, Mr. Niten Malhan has been appointed as Non-Executive Independent Director for a period of 5 years w.e.f. November 6, 2020 in the Annual General Meeting held on September 30, 2021.

Further, the term of Mr. Ashish Kumar Guha, Mr. Arvind Singhania, Ms. Freyan Jamshed Desai and Mr. Paramartha Saikia, existing Independent Directors is expiring on June 14, 2022 and the term of Mr. Pradeep Mathur, Independent Director is expiring on December 4, 2022, and it is proposed to re-appoint them for further term of 5 years. The Nomination and Remuneration Committee of the Company and the Board of Directors have recommended their re-appointment subject to the approval of shareholders by way of Special Resolution.

In accordance with the Act and the Articles of Association of the Company, 1 (one) of your Directors, viz. Mr. Aditya Madhav Keswani retires by rotation, and being eligible, offers himself for reappointment.

Your approval for aforesaid re-appointments as Independent Director/Director shall be sought in the Notice convening the Annual General Meeting of the Company.

Resignations/Retirement/Cessation

During the Financial Year under review, Mr. Rattan Keswani, Deputy Managing Director of the Company has resigned from the Company w.e.f closing hours of March 31, 2022.

The Board appreciated valuable services rendered by him during his tenure with the Lemon Tree Group.

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 & Disclosure Requirement) 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 March 31, 2022, 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 year and attendance of the Members and 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 year 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

BOARD MEETINGS HELD DURING THE YEAR

During the Financial Year under review, your 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 Directors also evaluated the performance of Non-Independent Directors, Chairman and Board as a body at a separate meeting of Independent Directors.

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

Code of Conduct and Vigil Mechanism/ Whistle Blower Policy

The Company has in place a mechanism for employees for reporting genuine concerns from reprisal and victimization. The policy is available in the 'Investor Relations' section at the Company's website www.lemontreehotels.com. During the year under review, no concerns have been received by the Company from any of the Directors, Officers, Employees and Associates pertaining to the Code and Vigil Mechanism.

Risk Management Policy

The Company has in place Risk Management Policy formulated in accordance with the provisions of Section 134(3)(n) of the Act, which is available in the 'Investor Relations' section at the Company's website www.lemontreehotels.com. There has been no change in the policy during the Financial Year under review. The Company has a system in place for identification of elements of risk which are associated with the accomplishment of objectives, operations, development, revenue and regulations and appropriate measures are taken, wherever required, to mitigate such risks beforehand.

The Risk Management Committee has adopted a Risk Management Framework (RMF) which will standardize our methodology, tools and procedures for identifying and monitoring the Company's material business risks.

The Company has also adopted a Compliance Framework tool to cover compliances applicable across working jurisdiction (including Corporate Office and hotels). This framework lays the responsibility of compliance execution and review among the respective compliance owners. This tool allows all key stakeholders to monitor compliance execution and associated risks at any given point of time.

The Statutory Auditors and the Internal Auditors report to the Audit Committee during their audit and highlight risk(s), if any, associated with organization and also suggest the appropriate measures, in consultation with the management and the Audit Committee, which can be taken by the company in this regard.

The Statutory Auditors also report to the Audit Committee of any instance of non-adherence to the procedures and manual which may increase the risk of frauds in the organization.

Nomination and Remuneration Policy

The Company has in place the Nomination & Remuneration Policy which lays down the criteria for appointment, evaluation of performance of Directors and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees and there has been no change in the policy during the Financial year under review. The Nomination & 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/reappointment of Directors/ KMPs, wherever required, from Nomination and Remuneration Committee in terms of the policy.

Corporate Social Responsibility ("CSR") Policy

The Company has in place CSR policy, formulated in terms of provisions of Section 135(4) of the Act read with Rule 6 of the Companies (Corporate Social Responsibility Policy) Rules,2014. The policy is available in the 'Investor Relations' section at the Company's website www.lemontreehotels.com.

Report on CSR Activities for the Financial Year 2021-22 as required 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.

Dividend Distribution Policy

The Company has in place a Policy on Distribution of Dividend to comply with the Regulation 43A of SEBI (LODR) Regulations. The policy is available in the 'Investor Relations' section at the Company's website www.lemontreehotels.com.

Policy on Rotation of Auditors

The policy on appointment and rotation of Auditors in compliance with the provisions of Section 139 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, is in place. The policy is available in the 'Investor Relations' section at the Company's website www.lemontreehotels.com.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2022, your Company has 14 (fourteen) direct subsidiary companies and 9 (nine) indirect subsidiary companies and 3 (three) associate Companies as under:

Direct Subsidiary Companies

Fleur Hotels Pvt. Ltd., Carnation Hotels Pvt. Ltd., Canary Hotels Pvt. Ltd., Sukhsagar Complexes Pvt. Ltd, Oriole Dr. Fresh Hotels Pvt. Ltd., Lemon Tree Hotel Company Pvt. Ltd., Red Fox Hotel Company Pvt. Ltd., Hamstede Living Private Limited, Grey Fox Project Management Company Pvt. Ltd., PSK Resorts & Hotels Pvt. Ltd., Dandelion Hotels Pvt. Ltd., Madder Stays Private Limited, Jessamine Stays Private Limited and Poplar Homestead Holdings Private Limited.

The Board of Directors at their meeting held on February 10, 2022 has approved the Scheme of Amalgamation for merging Valerian Management Services Private Ltd, Grey Fox Project Management Company Private Ltd. PSK Resorts & Hotels Pvt. Ltd. and Dandelion Hotels Pvt. Ltd. with the Company. The Scheme of Amalgamation has been filed with Stock Exchanges and the Company is in process of filing Scheme of Amalgamation with National Company Law Tribunal, New Delhi.

Indirect Subsidiary Companies

Berggruen Hotels Private Limited, Bandhav Resorts Pvt. Ltd., Celsia Hotels Pvt. Ltd., Inovoa Hotels and Resorts Ltd., Iora Hotels Pvt. Ltd., Ophrys Hotels Pvt. Ltd., Hyacinth Hotels Pvt. Ltd., Manakin Resorts Pvt. Ltd. and Valerian Management Services Pvt. Ltd.

Our Associate Companies

Further, as on March 31, 2022, your Company has three Associate Companies i.e Mind Leaders Learning India Pvt. Ltd, Pelican Facilities Management Pvt. Ltd. and Glendale Marketing Services Private Limited.

Further, our Subsidiaries Fleur Hotels Pvt. Ltd and Celsia Hotels Pvt. Ltd. are partners of a limited liability partnership, Mezereon Hotels LLP ("Mezereon").

In accordance with Section 129(3) of the Act read with Rule 8(1) of Companies (Accounts) Rules, 2014, the consolidated financial statements of the Company and all its subsidiaries, associates and joint ventures have been prepared by the Company and a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is attached as **'Annexure-4'** to this Report.

In terms of provisions of Section 136 of the Act, separate audited accounts of the subsidiary companies shall be available in the 'Investor Relations' section at the Company's website www.lemontreehotels.com. The Company will make available physical copies of these documents upon request by any shareholder of the Company interested in obtaining the same.

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 and its subsidiaries, associates, wherever applicable, has been given separately and forms part of this Report.

Business Responsibility Report

Pursuant to the provisions of Regulation 34(2)(f) of SEBI (LODR) Regulations, the Business Responsibility Report is attached as **'Annexure-10'** to this Report.

Integrated Report

The Company shall be voluntary adopting Integrated Report. This will be the Company's first integrated report 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

Your company has adopted good governance practices and committed to maintain high standards of the Corporate ethics, professionalism and transparency. The Company has adopted polices in line with the governance requirements including policy on Related Party Transactions, policy on Material Subsidiary, policy for Material Information and Events, Corporate Social Responsibility Policy, Dividend Distribution Policy and Whistle Blower Policy. These policies are available in the 'Investor Relations' section at the Company's website www.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.

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 decreased from ₹ 35,886.55 Lakhs in the previous year to ₹ 34,172.83 Lakhs in the current year.

EMPLOYEES STOCK OPTION SCHEME

During the year under review, the Company has an Employee Stock Option Scheme, 2006 ('ESOP Scheme').

A certificate from the Secretarial Auditors of the Company 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, 3,91,900 shares have been exercised by the employees of the Company through Krizm Hotels Private Limited Employee Welfare 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://www.lemontreehotels.com/factsheet/Policies/ESOP_DISLOSURE_2022.pdf.

S. No.	Description	ESOP Scheme
a)	Options Granted	Nil
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	-

S. No.	Description	ESOP Scheme
j)	Employee wise details for options granted to:-	
	(i) Key managerial Personnel:	
	a) Mr. Rattan Keswani (Deputy Managing Director)	N.A
	b) Mr. Kapil Sharma (Chief Financial Officer)	N.A
	c) Mr. Nikhil Sethi(AVP Legal & Group Company Secretary)	N.A
	(ii) any other employee who received a grant of options in any one year of option amounting to five percent of 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

* All the options have 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.

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 March 31, 2022 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) the directors had 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 had 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 appointed as Statutory Auditors of the Company in the Annual General Meeting held on September 29, 2017 for a period of 5 years upto conclusion of 6th consecutive Annual General Meeting of the Company. The term of the Statutory Auditors is expiring on the conclusion of the ensuing Annual General Meeting. Accordingly, the Board of Directors at their meeting held on May 27, 2022, at the recommendation of Audit Committee members and subject to the approval of the shareholders, approved the re-appointment of M/s Deloitte Haskins & Sells, LLP (LLP No. AAB-7837), Chartered Accountants as Statutory Auditors of the Company for a term of five years i.e. from the conclusion of ensuing Annual General meeting until the conclusion of Annual General Meeting of the Company to be held in Calendar Year 2027.

M/s Deloitte Haskins & Sells LLP have given a written consent to the Company for re-appointment as Auditors. They have also given a certificate that they satisfy the criteria prescribed in Section 141 of the Act and the re-appointment, if made, shall be in accordance with the conditions laid down under the Act and Rules.

The reports given by the Statutory Auditors' on the Standalone Financial Statements of the Company and the Consolidated Financial Statements of the Company and its Subsidiaries & Associates for the Financial Year ended March 31, 2022 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 frauds 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 Sanjay Grover & Associates, Practicing Company Secretaries 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 Audit Report does not contain any qualification, reservation or adverse remark.

As per Regulation 24A of SEBI (LODR) Regulations, the Secretarial Audit Report of the unlisted material subsidiaries conducted for the Financial Year 2021-22 by Practicing Company Secretaries are annexed herewith and marked as **'Annexure - 9'** to this Report. None of the said Secretarial Audit Reports contain any qualification, reservation or adverse remark or disclaimer.

Further, the Board of Directors of the Company, has re-appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries to conduct the Secretarial Audit for the Financial Year 2022-23 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 having an impact on the future operations of the Company or its going concern status.

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 made, 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.

₹ In Lakhs

Name of the Subsidiary	Maximum Loans outstanding during the year 2022	As at March 31, 2022	Maximum Loans outstanding during the year 2021	As at March 31, 2021
Carnation Hotels Private Limited	2.72	-	2.72	2.72
Canary Hotels Private Limited	1,493.98	91.91	588.50	16.50
Oriole Dr. Fresh Hotels Private Limited	169.00	169.00	68.00	68.00
Sukhsagar Complexes Private Limited	210.00	210.00	641.28	12.00
Red Fox Hotel Company Private Limited	2.11	2.11	0.11	0.11
Grey Fox Project Management Company Private Limited	12.00	0.07	12.00	12.00
Meringue Hotels Private Limited(merged with Fleur Hotels Private Limited	-	-	2,788.00	-
Dandelion Hotels Private Limited	11.00	11.00	9.00	9.00
PSK Resorts & Hotels Private Limited	3.00	3.00	3.00	3.00

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). The policy can be accessed in the 'Investor Relations' section at the Company's website www.lemontreehotels.com. 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.

During the Financial Year under review, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material. In view of the above, the requirement of giving particulars of contracts / arrangements/ transactions made with related parties, in Form AOC-2 are not applicable for the year under review. Further, you may refer to other Related Party transactions in Note No. 33 of the Standalone Financial Statements.

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, www.lemonteehotels.com.

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 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 Report (BRR) 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 2021-22 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 Financial Year under review is mentioned hereunder:

₹ In Lakhs

S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1.	Earning in Foreign Currency	585.11	181.19
2.	Outgo in Foreign Currency		
	-Value of Capital Goods Imported on CIF basis	-	-
	-Commission/ Advertisement and business promotion	92.09	52.86

DIVIDEND ON EQUITY SHARES

Your Directors do not propose any dividend on the shares of the Company for the Financial Year ended on March 31, 2022.

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

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

SECRETARIAL STANDARDS

During the Financial Year under review, the Company has complied with Secretarial Standards on Board and General meetings issued by Institute of Company Secretaries of India.

INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

The Company has not made any application under Insolvency And Bankruptcy Code, 2016 during the year under review.

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

The Company has not done any one time settlement with the Banks during the year under review.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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 compliant 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 Financial 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 2021-22 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 a letter, duly signed by the first/sole holder quoting details of their Folio No. The Company has in terms of SEBI Circular dated 3rd November, 2021 has send the intimation to the shareholders holding shares in physical form requesting them to update their PAN, KYC details and Nomination with company Registrar and Transfer Agent viz. KFin Technologies Limited.

APPRECIATION

Your Directors place on record their appreciation for the valuable support and cooperation of the Company's Bankers, Government Agencies, Customers, Suppliers, Shareholders, Employees and other statutory authorities, who have reposed their continued trust and confidence in the Company.

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

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Date: May 27, 2022
Place: New Delhi

Annexure(s) to the Board's Report

ANNEXURE-I

I. FINANCE COMMITTEE MEETINGS

During the Financial Year under review, two (2) Finance Committee meeting(s) were held on July 19, 2021 and December 6, 2021.

Attendance of Members for the year ended March 31, 2022:

Name of the Member	Designation	No. of Meetings Attended
Mr. Patanjali Govind Keswani	Chairman & Member	2
Mr. Rattan Keswani*	Member	-
Mr. Willem Albertus Hazeleger	Member	2
Mr. Pradeep Mathur**	Member	NA
Mr. Paramartha Saikia**	Member	NA

* Mr. Rattan Keswani was a member of the Committee upto March 21, 2022
** Mr. Pradeep Mathur and Mr. Paramartha Saikia appointed as member of the Committee w.e.f March 21, 2022

II. SHARE ALLOTMENT COMMITTEE MEETINGS

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

Name of the Member	Designation
Mr. Paramartha Saikia*	Chairman & Member
Mr. Rattan Keswani**	Member
Mr. Patanjali G. Keswani	Member
Mr. Ashish Kumar Guha	Member
Mr. Pradeep Mathur***	Member

*Mr. Paramartha Saikia was appointed as Chairman & Member of the Committee w.e.f March 21, 2022
** Mr. Rattan Keswani was a Chairman & Member of the Committee upto March 21, 2022
*** Mr. Pradeep Mathur was appointed as Member of the Committee w.e.f March 21, 2022

III. GENERAL MANAGEMENT COMMITTEE MEETINGS

During the Financial Year under review, four (4) General Management Committee meeting(s) were held on June 14, 2021, August 10, 2021 and October 22, 2021 and March 21, 2022.

Attendance of Members for the year ended March 31, 2022:

Name of the Member	Designation	No. of Meetings Attended
Mr. Patanjali Govind Keswani	Chairman & Member	4
Mr. Rattan Keswani*	Member	3
Mr. Paramartha Saikia	Member	2
Mr. Aditya Madhav Keswani**	Member	1

*Mr. Rattan Keswani was a Member of the Committee upto March 21, 2022
** Mr. Aditya Madhav Keswani was appointed as Member of the Committee w.e.f March 21, 2022

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

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Date: May 27, 2022
Place: New Delhi

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 September 18, 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 the Board of Directors of the Company in its meeting on 19.02.2015.

2. 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.

3. 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. It would comprise all members of management one level below the executive director(s), including the functional /vertical heads.

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.

4. 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

5. 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.

PART-A

6. 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

7. 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 section149 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.

8. 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 reappointment 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.

9. DISQUALIFICATIONS FOR APPOINTMENT/ REAPPOINTMENT OF DIRECTORS

Any person who is disqualified for appointment/ reappointment 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.

10. 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.

11. 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.

12. 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

13. 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.

14. 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.

15. 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.

16. 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.

17. DISSEMINATION

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

18. 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.

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

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Date: May 27, 2022
Place: New Delhi

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	2	2
2	Mr. Patanjali Govind Keswani (Member)	Chairman and Managing Director	2	2
3	Mr. Aditya Madhav Keswani (Member)	Non- Executive Director	2	2
4	Ms. Freyan Jamshed Desai (Member)	Non-Executive Independent Director	2	2

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 www.lemontreehotels.com. There are no CSR projects approved by the Board till date.

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 available

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): ₹ 16.34 Crore

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 32.69 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): ₹ 32.69 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
32,70,000	Nil	NA	NA	Nil	NA

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

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	Amount allocated for the project (in ₹)	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						Name	CSR Registration number

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

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 implement-ation - 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	2,50,000	No	Aasraa Trust	CSR00000096
2.	Life Skills Programme for Adults with Disabilities	(ii) employment enhancing vocational skills	Yes	Delhi	All districts	250,000	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	No	Delhi	South East	7,75,000	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	7,75,000	No	Muskaan-PAEPID	CSR00005862
				Haryana	Gurugram				
5.	Main streaming deaf youth through skill development and livelihoods	(ii) employment enhancing vocational skills	No	Uttar Pradesh	Gautam Budh Nagar	7,75,000	No	Noida Deaf Society	CSR00000396
6	Employability skills training program for Speech and Hearing Impaired	(ii) employment enhancing vocational skills	No	New Delhi	West	4,45,000	No	Sai Swayam Society For The Hearing Impaired	CSR00000290
				Rajasthan	Jaipur				
				Bihar	Patna				
				Madhya Pradesh	Indore and Gwalior				

(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): ₹ 32,70,000

(g) Excess amount for set off, if any

Sl. No.	Financial Year	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	32,68,621
(ii)	Total amount spent for the Financial Year	32,70,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,679
(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:

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	
			N.A				

(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 of
Lemon Tree Hotels Limited

Date: May 27, 2022
Place: New Delhi

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Paramartha Saikia
Chairman-CSR Committee
DIN: 07145770

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)

1	Sl. No.	1	2	3	4	5	6	7	8	9
2	**Name of the Subsidiary**	**Fleur Hotels P. Ltd.**	**Canary Hotels P. Ltd.**	**Carnation Hotels P. Ltd.**	**Dandelion Hotels P. Ltd. ***	**Lemon Tree Hotel Company P. Ltd. ***	**Manakin Resorts P. Ltd.**	**Oriole Dr. Fresh Hotels P. Ltd.**	**Sukhsagar Complexes P. Ltd.**	**PSK Resorts & Hotels P. Ltd.***
3	Date since when subsidiary was acquired	25.09.2009	18.05.2012	18.01.2007	19.07.2007	24.01.2007	13.02.2009	10.01.2013	10.01.2013	13.02.2009
4	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.	N.A.
5	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.	N.A.
6	Share Capital#	9,245.52	5,009.45	9.35	1.15	3.50	571.43	370.00	1,019.50	118.69
7	Reserves & surplus	147,196.68	(1,932.43)	898.98	249.08	(3.86)	861.35	1,239.59	(77.10)	2,219.41
8	Total Assets	2,73,592.96	4,567.66	2386.21	261.54	1.99	1,494.72	4,462.03	4,754.01	2341.50
9	Total Liabilities	1,17,150.76	1,490.64	1477.88	11.31	2.35	61.94	2,852.44	3,811.61	3.40
10	Investments**	-	-	-	-	-	-	-	-	-
11	Turnover	18,257.09	553.90	1,189.70	-	-	-	303.87	582.92	-
12	Profit before taxation/ (Loss)	(8,194.70)	(325.05)	263.39	(0.57)	(0.40)	(48.91)	(308.81)	(334.11)	(0.54)
13	Provision for taxation	-	-	67.38	-	-	(11.67)	-	-	-
14	Profit after taxation/ (Loss)	(8,194.70)	(325.05)	196.01	(0.57)	(0.40)	(37.24)	(308.81)	(334.11)	(0.54)
15	Proposed Dividend	-	-	-	-	-	-	-	-	-
16	% of shareholding***	58.91%	100%	74.90%	100%	100%	100%	100%	100%	100%

(₹ In Lakhs)

1	Sl. No.	10	11	12	13	14	15	16
2	**Name of the Subsidiary**	**Red Fox Hotel Company P. Ltd. ***	**Grey Fox Project Management Company P. Ltd.**	**Valerian Management Services P. Ltd.**	**Hamstede Living Private Limited**	**Poplar Homestead Holdings P. Ltd***	**Jessamine Stays P. Ltd***	**Madder Stays Private Limited***
3	Date since when subsidiary was acquired	10.01.2013	28.09.2012	16.09.2013	31.03.2021	29.11.2018	28.11.2018	28.11.2018
4	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.
5	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.
6	Share Capital#	3.00	455.01	1.00	2950.00	1.00	1.00	1.00
7	Reserves & surplus	(3.55)	(266.54)	(321.59)	(2,666.68)	(0.80)	(0.80)	(0.80)
8	Total Assets	1.90	405.15	11.75	284.18	0.31	0.31	0.31
9	Total Liabilities	2.45	216.68	332.34	0.86	0.11	0.11	0.11
10	Investments**	-	-	-	-	-	-	-
11	Turnover	-	101.00	42.38	-	-	-	-
12	Profit before taxation/ (Loss)	(0.40)	(11.19)	(17.96)	(9.64)	0.21	(0.22)	(0.22)
13	Provision for taxation	-	-	-	-	-	-	-
14	Profit after taxation/ (Loss)	(0.40)	(11.19)	(17.96)	(9.64)	0.21	(0.22)	(0.22)
15	Proposed Dividend	-	-	-	-	-	-	-
16	% of shareholding***	100%	100%	100%	100%	100%	100%	100%

(₹ In Lakhs)

1	Sl. No.	17	18	19	20	21	22	23
2	**Name of the Subsidiary**	**Celsia Hotels P. Ltd.**	**Inovoa Hotels And Resorts Ltd.**	**Iora Hotels P. Ltd. ***	**Ophrys Hotels P. Ltd.***	**Hyacinth Hotels P. Ltd.**	**Bandhav Resorts Pvt Ltd**	**Berggruen Hotels Private Ltd**
3	Date since when subsidiary was acquired	29.03.2012	16.08.2013	14.11.2013	10.01.2014	19.07.2007	13.05.2016	01.11.2019
4	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.
5	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.
6	Share Capital#	3.53	3,828.00	1,955.80	2.50	82.10	131.11	5,455.16
7	Reserves & surplus	6,499.31	(2,460.40)	36,572.30	(3.54)	396.45	1,285.55	28,162.07
8	Total Assets	11,687.24	5,396.79	47,086.58	1.24	23,960.70	1500.53	47,541.66
9	Total Liabilities	5,184.40	4,029.19	8,558.48	2.28	23,482.15	83.87	13924.43
10	Investments**	-	-	-	-	-	-	-
11	Turnover	1,368.53	604.15	-	-	3,639.84	192.29	2,914.06
12	Profit before taxation/ (Loss)	35.20	(407.85)	(81.19)	(0.41)	(881.37)	(9.46)	(1,975.10)
13	Provision for taxation	22.68	-	1.02	-	-	-	(190.17)
14	Profit after taxation/ (Loss)	12.52	(407.85)	(82.21)	(0.41)	(881.37)	(9.46)	(1,784.93)
15	Proposed Dividend	-	-	-	-	-	-	-
16	% of shareholding***	58.91%	58.91%	58.91%	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
includes other equity
###excludes other comprehensive income

PART "B": ASSOCIATES AND JOINT VENTURES

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

(₹ In Lakhs)

S. No.	Name of the Associate/Joint Ventures	1 **Mind Leaders Learning India Private Limited**	2 **Pelican Facilities Management Pvt. Ltd**	3 **Glendale Marketing Services Private Limited**
1	Last audited Balance Sheet Date	31.03.2022	31.03.2022	31.03.2022
2	Date on which the Associate or Joint Venture was associated or acquired	06.06.2017	20.06.2017	10.12.2019
3	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%	-	-
4	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
5	Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A
6	Net worth attributable to shareholding as per latest audited balance sheet	1,004.83	-	-
	Profit for the year(Consolidated)			
	Considered in consolidation	104.06	N.A	N.A
	Not considered in consolidation	N.A	N.A	N.A

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

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Kapil Sharma
Chief Financial Officer

Nikhil Sethi
AVP Legal & Group Company Secretary
Mem No.: A18883

Date: May 27, 2022
Place: New Delhi

ANNEXURE-5

Corporate Governance Report

INTRODUCTION

The Company believes in best corporate governance practice. 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 Lemon Tree Hotels Limited ("the Company") is as follows:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your 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 Community at Large. The Company believes that good Corporate Governance is a continuous process and strives to improve the 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.

BOARD OF DIRECTORS COMPOSITION OF THE BOARD

The Company is managed and controlled through a professional body of Board of Directors ("the Board") which comprises of optimum combination of Executive and Non-Executive / Independent Directors headed by the Executive Chairman. As on March 31, 2022, the Company's Board consists of 11 Directors, 7 of which were Independent Directors including one Woman Director. The composition of the Board satisfies the conditions of the SEBI (LODR) Regulations.

S. No.	Name of the Director	Category
1	Mr. Patanjali Govind Keswani	Chairman & Managing Director (Promoter Director)
2	Mr. Aditya Madhav Keswani	Non-Executive (Promoter Director)
3	Mr. Rattan Keswani*	Deputy Managing Director (Executive Director)
4	Mr. Willem Albertus Hazeleger	Non-Executive Director
5	Mr. Ashish Kumar Guha	Non-Executive Independent Director
6	Mr. Arvind Singhania	Non-Executive Independent Director
7	Mr. Pradeep Mathur	Non-Executive Independent Director
8	Dr. Arindam Kumar Bhattacharya	Non-Executive Independent Director
9	Mr. Paramartha Saikia	Non-Executive Independent Director
10	Mr. Niten Malhan	Non-Executive Independent Director
11	Ms. Freyan Jamshed Desai	Non-Executive Independent Director

* Mr. Rattan Keswani, Deputy Managing Director has resigned from the Company w.e.f closing hours of March 31, 2022

Note:
Mr. Patanjali Govind Keswani is the father of Mr. Aditya Madhav Keswani. There are no other inter-se relationships amongst the Board members.

BOARD MEETINGS

During the Financial Year under review, the Board of the Company met (5) times on June 15, 2021, August 11, 2021, October 21, 2021, February 10, 2022 and March 21, 2022. The maximum gap between any two Board meetings was less than one hundred and twenty days. All Board Meetings during the year under review are held through Video Conferencing and deemed venue of the meetings is Registered & Corporate Office of the Company at Asset No.6, Aerocity Hospitality District, New Delhi-110037, India.

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 same are 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 Companies Act, 2013 ("Act") and Secretarial Standards on meetings of the Board of Directors issued by 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.

DIRECTOR'S 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 held during the year, last Annual General Meeting:

Name of the Director	Category	No. of Board Level Committee Memberships / Chairmanships in other Indian Public Companies		Attendance Particulars			No of Director ships (1)	Name of other Listed Entities in which they are director
		Member (5)	Chairman (5)	No. of Board Meetings		Attendance at last AGM		
				Held / entitled to attend	Attended	Attended		
Mr. Patanjali Govind Keswani	Promoter/ Executive Chairman & Managing Director	1	0	5	5	Yes	9	Nil
Mr. Rattan Keswani*	Executive/ Deputy Managing Director	1	0	5	5	Yes	3	Nil
Mr. Aditya Madhav Keswani	Promoter/ Non- Executive Director	0	0	5	4	Yes	5	Nil
Mr. Willem Albertus Hazeleger	Non-Executive Director	0	0	5	5	No	1	Nil
Mr. Niten Malhan	Non-Executive Independent Director	3	0	5	4	Yes	4	(1) Max Ventures and Industries Limited (Independent Director) and (2)Max India Limited (Independent Director)
Mr. Ashish Kumar Guha	Non-Executive Independent Director	2	1	5	3	Yes	2	Nil
Mr. Arvind Singhania	Non-Executive Independent Director	1	0	5	2	Yes	4	Ester Industries Ltd (Chairman & Managing Director)
Mr. Pradeep Mathur	Non-Executive Independent Director	2	1	5	2	Yes	3	
Dr. Arindam Kumar Bhattacharya	Non-Executive Independent Director	2	0	5	4	Yes	4	Bajaj Holdings and Investment Limited (Independent Director)
Mr. Paramartha Saikia	Non-Executive Independent Director	2	0	5	5	Yes	8	Salora International Limited (Independent Director)
Ms. Freyan Jamshed Desai	Non-Executive Independent Director	2	1	5	4	Yes	1	Nil

*Mr. Rattan Keswani, Deputy Managing Director has resigned from the Company w.e.f closing hours of March 31, 2022

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 March 31, 2022 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. Ashish Kumar Guha, Mr. Pradeep Mathur, Dr. Arindam Kumar Bhattacharya, Mr. Paramartha Saikia, Ms. Freyan Jamshed Desai, Mr. Arvind Singhania and Mr. Niten Malhan were the Independent Directors of the Company as on March 31, 2022.

Terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company.

None of the 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 your 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 May 19, 2022 without the presence of Executive Directors or non-independent Directors and members of the management.

The Independent Directors in the said meeting had, interalia:

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 for Independent Directors

Your Company follows an orientation and familiarization programmes 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/Details_of_Familiarisation_Programme.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 SEBI (LODR) 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 Director	Business	Leadership	Strategy and Planning	Governance	Financial	Sales & Marketing
Mr. Patanjali Govind Keswani	√	√	√	√	√	√
Mr. Rattan Keswani*	√	√	√	√	√	√
Mr. Aditya Madhav Keswani	√	√	√	√		
Mr. Willem Albertus Hazeleger	√	√	√	√	√	
Mr. Pradeep Mathur	√	√	√	√	√	
Mr. Ashish Kumar Guha	√	√	√	√	√	
Dr. Arindam Kumar Bhattacharya	√	√	√	√	√	
Mr. Paramartha Saikia	√	√		√		√
Mr. Arvind Singhania	√	√	√	√	√	
Mr. Niten Malhan	√	√	√	√	√	
Ms. Freyan Jamshed Desai	√	√		√	√	

* Mr. Rattan Keswani, resigned from the board and its committees w.e.f closing hours of March 31, 2022

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

The shareholding of Non-Executive Directors as on March 31, 2022 is as follows:

Name of the Director	Designation	No. of Shares Held (face value of ₹ 10 each)
Dr. Arindam Kumar Bhattacharya	Non-Executive Independent Director	6,30,490
Mr. Pradeep Mathur	Non-Executive Independent Director	3,53,454
Mr. Paramartha Saikia	Non-Executive Independent Director	1,57,816
Mr. Arvind Singhania	Non-Executive Independent Director	-
Mr. Ashish Kumar Guha	Non-Executive Independent Director	-
Ms. Freyan Jamshed Desai	Non-Executive Independent Director	-
Mr. Niten Malhan	Non-Executive Independent Director	-
Mr. Willem Albertus Hazeleger	Non-Executive Director	-
Mr. Aditya Madhav Keswani	Non-Executive Director	-

As on March 31, 2022, the Company doesn't 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 & Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholder's Relationship Committee
5. Risk Management Committee

The Composition of all the committees meets the requirements of the Act and the SEBI (LODR) Regulations.

The details of the role and composition of Committees of the Board including number of meetings held during the year and attendance there at, 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 Regulation18 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:

   - 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;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Compliance with listing and other legal requirements relating to financial statements;
   - Disclosure of any related party transactions; and
   - 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 utilized 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 rights 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;
   - statement of significant related party transactions (as defined by the audit committee), submitted by management;
   - 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.

*Note: Updated in the Board Meeting held on May 27, 2022

Composition, meetings and attendance of the Audit Committee

The Audit Committee with the following members is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations.

During the Financial Year under review, the Audit Committee met seven (7) times on May 3, 2021, June 14, 2021, August 10, 2021, October 20, 2021, December 22, 2021, February 9, 2022 and March 21, 2022

Name of the Members	Status	Category	No. of Meetings attended
Mr. Pradeep Mathur	Chairman & Member	Non- Executive Independent Director	7
Mr. Ashish Kumar Guha	Member	Non- Executive Independent Director	5
Dr. Arindam Kumar Bhattacharya	Member	Non- Executive Independent Director	5
Mr. Niten Malhan	Member	Non- Executive Independent Director	6
Ms. Freyan Jamshed Desai	Member	Non- Executive Independent Director	5

Note: The Company Secretary of the Company acts as the Secretary for the Audit Committee.

NOMINATION & REMUNERATION COMMITTEE

The terms of reference of the Nomination & Remuneration Committee satisfy the requirement of Section 178 of the Act read with Companies (Meetings of Board and its Powers)Rules, 2014 and Regulation 19 of SEBI (LODR) Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Committee also plays the role of 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 & 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.

   *- 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

b. Formulation of criteria for evaluation of performance of independent directors and the Board.

c. Devising a policy on diversity of the Board.

d. 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.

e. Extension or continuance of the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

f. 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).

g.* Recommend to the board, all remuneration, in whatever form, payable to senior management

h. 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.

*Note: Updated in the Board Meeting held on May 27, 2022

Composition, meetings and attendance of the Nomination & Remuneration Committee

The Nomination & Remuneration Committee with the following members is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations.

During the Financial Year under review, the Nomination & Remuneration Committee met two (2) times on June 15, 2021 and February 10, 2022 with necessary quorum being present at the meeting:

Name of the Members	Status	Category	No. of Meetings attended
Mr. Niten Malhan	Chairman & Member	Non-Executive Independent Director	1
Mr. Paramartha Saikia	Member	Non-Executive Independent Director	2
Mr. Pradeep Mathur	Member	Non-Executive Independent Director	2
Ms. Freyan Jamshed Desai	Member	Non-Executive Independent Director	2
Dr. Arindam Kumar Bhattacharya	Member	Non-Executive Independent Director	2

Note: The Company Secretary of the Company acts as the Secretary for the Nomination & Remuneration Committee.

Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Section 134(3)(p) of the Companies Act, 2013 read with SEBI (LODR) Regulations, the Nomination & Remuneration committee carried out the Annual Performance evaluation of its 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 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 Directors.

Remuneration of Directors

Details of Remuneration paid or payable to Directors for the year ended March 31, 2022:

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 & Managing Director	168.18	N.A.	31.03.2023	N.A.	168.18
Mr. Rattan Keswani**	Executive/Deputy Managing Director	Nil	N.A.	31.12.2022	2 month	Nil
Mr. Aditya Madhav Keswani	Non-Executive Director	Nil	N.A.	N.A.	N.A.	Nil
Mr. Willem Albertus Hazeleger	Non-Executive Director	Nil	N.A.	N.A.	N.A.	Nil
Mr. Ashish Kumar Guha	Non-Executive Independent Director	Nil	1.25	14.06.2022	N.A.	1.25
Ms. Freyan Jamshed Desai	Non-Executive Independent Director	Nil	2.00	14.06.2022	N.A.	2.00
Mr. Niten Malhan	Non-Executive Director	Nil	1.80	05.11.2025	N.A.	1.80
Mr. Arvind Singhania	Non-Executive Independent Director	Nil	0.25	14.06.2022	N.A.	0.25
Mr. Paramartha Saikia	Non-Executive Independent Director	Nil	1.75	14.06.2022	N.A.	1.75
Mr. Pradeep Mathur	Non-Executive Independent Director	Nil	1.60	04.12.2022	N.A.	1.60
Dr. Arindam Kumar Bhattacharya***	Non-Executive Independent Director	Nil	Nil	11.04.2024	N.A.	Nil

^ There are no severance fees payable to any of the Directors.
^^ The Non-Executive Independent Directors were paid sitting fees of ₹ 25,000/- for attending each meeting of the Board and ₹ 10,000/- for each committee meetings attended by them.
* Due to Covid pandemic which has highly impacted the performance of the Hotels, there has been salary cut to Chairman & Managing Director during major part of Financial Year 2021-22.
** Mr. Rattan Keswani, Deputy Managing Director resigned from the Board and its committee w.e.f closing hours of March 31, 2022
***Dr. Arindam Kumar Bhattacharya is not willing to accepting the sitting fees and has given his dissent thereto.

Criteria for making payments to Non-Executive Directors including all pecuniary relationship or transactions of Non-Executive Directors

The Independent 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.

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.

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 the Schedule VII of the Act.

The terms of reference of the Corporate Social Responsibility Committee shall include 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 Companies Act, 2013.

During the Financial Year under review, two (2) meetings of Corporate Social Responsibility Committee has been held on June 15, 2021 and February 10, 2022 with necessary quorum being present at the meeting, inter alia for taking approval for making any contribution in accordance with Section 135 of the Companies Act, 2013.

Name of the Members	Status	Category	No. of Meetings attended
Mr. Paramartha Saikia	Chairman & Member	Non-Executive Independent Director	2
Mr. Patanjali Govind Keswani	Member	Executive Chairman & Managing Director	2
Mr. Aditya Madhav Keswani	Member	Non-Executive Director	2
Ms. Freyan Jamshed Desai	Member	Non-Executive Independent Director	2

Note: The Company Secretary of the Company acts as the Secretary for the Corporate Social Responsibility Committee.

The updated CSR policy adopted by the company is uploaded on the website of the company at https://www.lemontreehotels.com/factsheet/Policies/CSR_Policy.pdf.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee has been constituted in terms of Section 178 of the Act and Regulation 20 of 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 shall include 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, dematerialization 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 Stakeholder's Relationship Committee has been constituted with the following members in compliance with the provisions of Section 178 (5) of the Companies Act, 2013 and SEBI (LODR) Regulations.

During the Financial Year under review, one (1) meeting of Stakeholder's Relationship Committee has been held on August 11, 2021 with necessary quorum being present at the meeting:

Name of the Members	Status	Category	No. of Meetings attended
Ms. Freyan Jamshed Desai	Chairman & Member	Non-Executive Independent Director	1
Mr. Paramartha Saikia	Member	Non-Executive Independent Director	1
Mr. Patanjali Govind Keswani	Member	Executive-Chairman & Managing Director	1
Mr. Rattan Keswani*	Member	Executive-Deputy Managing Director	1

* He was a member of the Committee till March 21, 2022

Note: The Company Secretary of the Company acts as the Secretary for the Stakeholder's Relationship Committee

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted in terms Regulation 21 of SEBI (LODR) Regulations and the terms of reference of the Risk Management Committee shall inter alia include 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, cyber security 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, two (2) meetings of Risk Management Committee has been held on August 5, 2021 and January 28, 2022 with necessary quorum being present at the meeting:

Name of the Members	Status	Category	No. of Meetings attended
Mr. Pradeep Mathur	Chairman & Member	Non-Executive Independent Director	2
Mr. Patanjali Govind Keswani	Member	Executive – Chairman & Managing Director	2
Dr. Arindam Kumar Bhattacharya	Member	Non-Executive Independent Director	1
Mr. Niten Malhan	Member	Non-Executive Independent Director	1
Mr. Vikramjit Singh	Member	Senior Management (President)	2
Mr. Kapil Sharma	Member	Senior Management (Chief Financial Officer)	1

NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Nikhil Sethi

AVP Legal & Group Company Secretary

INVESTOR GRIEVANCES/COMPLAINTS

The details of the investor complaints received and resolved during the Financial Year 2021-22 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

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
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, AssetNo. 6, Aerocity Hospitality District, New Delhi -110037)	No
2019-20	29.09. 2020	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
2018-19	22.08. 2019	03.00 P.M	Air Force Auditorium, Subroto Park, New Delhi 110010	Yes

No special resolution was passed by the postal ballot during last three years.

As on date of this Report, there is no special resolution proposed to be passed through postal ballot on or before ensuing Annual General Meeting. Further, Resolutions (if required) shall be passed by Postal Ballot as per the prescribed procedure under the Act and SEBI (LODR) Regulations.

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 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 https://neaps.nseindia.com/NEWLISTINGCORP/ 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 year under review, the Company has in place the Code of Conduct for Prohibition of Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and the same is uploaded on the website of the Company at www.lemontreehotels.com

GENERAL SHAREHOLDER INFORMATION

A. ANNUAL GENERAL MEETING:

The annual General Meeting for the FY 2021-22 is proposed in the month of September, 2022. The date/cut-off date for 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 Companies Act, 2013/Listing 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 2023 (tentative)

First Quarter Results: First/Second week of August, 2022

Second Quarter Results: First/Second week of November, 2022

Third Quarter Results: First/Second week of February, 2023

Audited Annual Results for the year ending on March 31, 2023: Third/Fourth week of May, 2023

C. DIVIDEND PAYMENT DATE

The Directors of the company have not recommended any dividend for the Financial Year 2021-22.

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 9, 2018	LEMONTREE
2	BSE Limited P. J. Towers, Dalal Street, Mumbai 400 001	April 9, 2018	541233

Annual Listing fees for the Financial Year 2022-23 has 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 2021-22 are as under:

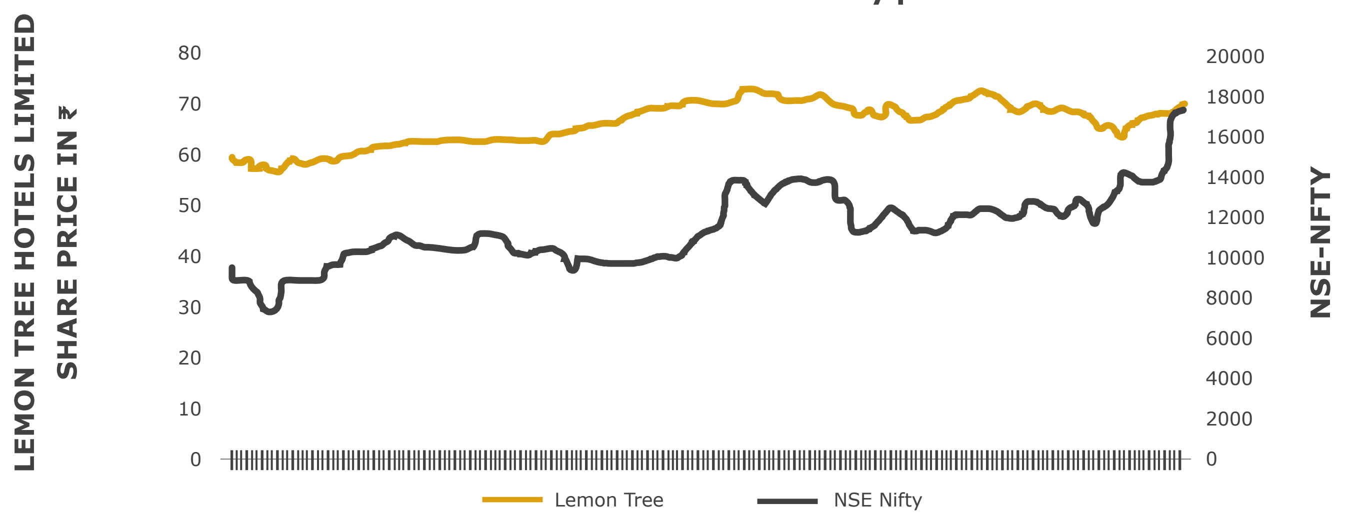
MARKET PRICE DATA FROM APRIL, 2021 TO MARCH, 2022

Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
Apr-21	38.00	27.50	48,81,329	38.40	29.25	3,81,24,685
May-21	42.95	34.50	64,73,187	42.95	34.10	5,25,44,160
Jun-21	46.50	40.00	91,22,792	46.55	40.00	9,35,22,289
Jul-21	47.05	39.70	1,14,04,131	47.10	39.65	8,12,78,505
Aug-21	42.50	36.10	76,90,844	42.55	36.00	4,11,84,328
Sep-21	47.25	37.80	1,29,42,749	47.30	37.75	13,83,09,101
Oct-21	57.60	44.25	2,13,47,589	57.55	44.20	20,05,50,628
Nov-21	59.90	42.10	1,61,97,811	59.90	42.10	10,72,19,438
Dec-21	51.60	43.20	97,37,161	51.25	43.25	6,30,22,339
Jan-22	54.65	45.45	1,17,42,532	54.75	46.00	6,92,78,723
Feb-22	54.30	45.30	1,56,38,853	54.23	45.30	10,92,90,088
Mar-22	71.25	48.75	4,29,17,232	71.25	48.60	27,80,09,162

Performance in comparison to broad-based indices

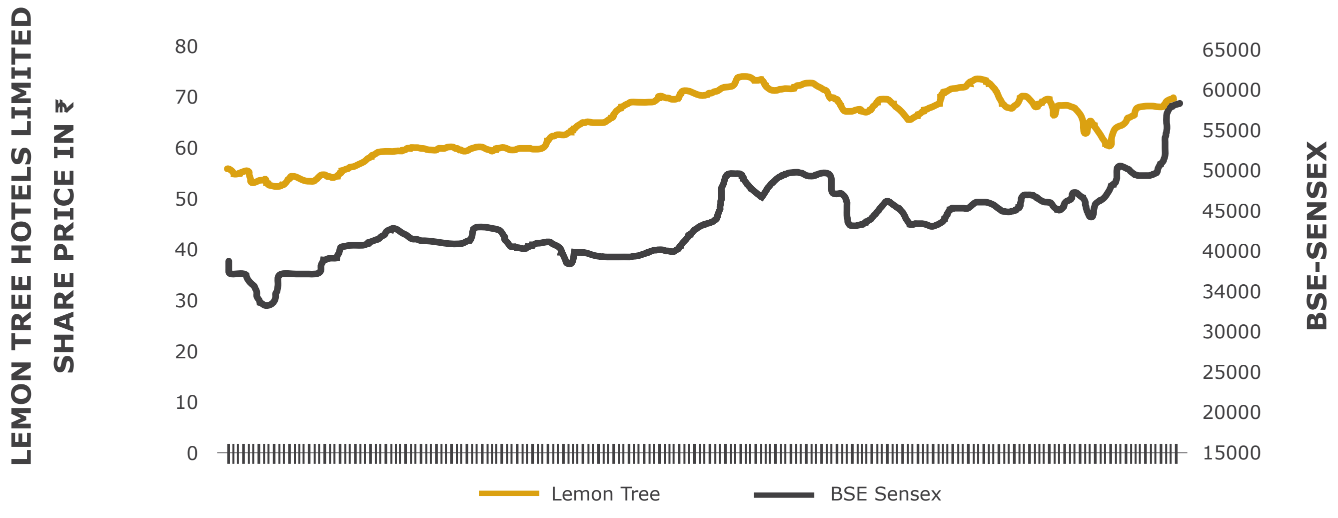
LEMON TREE HOTELS LIMITED

Share Price Movement with NSE -Nifty perfomance



LEMON TREE HOTELS LIMITED

Share Price Movement with BSE -SENSEX perfomance



F. SHARE TRANSFER AGENT

All the work related to the shares held in the physical form as well as shares held in the electronic (demat) form is being done at one single point and for this purpose SEBI registered category I Registrar and Share Transfer Agent has been appointed, whose details are given below.

KFin Technologies Ltd

(Formerly known as "Karvy Fintech 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 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 through dematerialised form are done through depositories with no involvement of the Company. With regard to transfer of equity shares in physical form, are processed by our R&T Agents, M/s Kfin Technologies Ltd and the share certificates are dispatched within a period of 15 days from the date of receipt thereafter subject to the documents being complete and valid in all respects. The Company obtains a half-yearly certificate from a Company Secretary in Practice in respect of the share transfers as required under Regulation 40(9) of SEBI (LODR) Regulations and files a copy of the said certificate to the Stock Exchanges.

H. DISTRIBUTION OF SHAREHOLDING

The shareholding distribution of equity shares as on March 31, 2022 is given hereunder:

Shareholding Range	Number of shareholders	% of total shareholders	Number of shares held	% Shareholding
1-5000	155500	88.98	14257661	1.80
5001-10000	9591	5.49	7836688	0.99
10001-20000	4503	2.58	6963652	0.88
20001-30000	1641	0.94	4231668	0.53
30001-40000	823	0.47	2974113	0.38
40001-50000	689	0.39	3287471	0.41
50001-100000	962	0.55	7294281	0.92
100001-ABOVE	1055	0.60	745400930	94.09
TOTAL	**174764**	**100.00**	**792246464**	**100.00**

I. CATEGORY WISE SHAREHOLDING

S. No.	Description	Total no of Equity Shares held as on March 31, 2022	Percentage
1	Promoters Bodies Corporate	18,65,78,143	23.55
2	Promoters	31,60,764	0.40
3	Foreign Portfolio – Corp	22,74,02,658	28.70
4	Foreign Bodies Corporates	11,98,97,329	15.13
5	Mutual Funds	9,51,97,384	12.02
6	Resident Individuals	9,10,12,408	11.49
7	Bodies Corporates	4,94,44,444	6.24
8	Employees	64,06,249	0.81
9	Trusts	27,000	0.00
10	ESOP Trust	14,24,091	0.18
11	Non Resident Indian Non-Repatriable	37,56,193	0.48
12	Clearing Members	25,52,536	0.32
13	Non Resident Indians	21,69,030	0.27
14	H U F	19,57,176	0.25
15	Foreign National	1,500	0.00
16	Foreign Portfolio Investors	1,50,001	0.02
17	Alternative Investment Fund	11,09,558	0.14
	Total	**792,246,464**	**100.00**

J. DEMATERIALIZATION OF SHARES

As on March 31, 2022, 99.65% of the total equity shares were held in dematerialised 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 have been provided in the corporate overview section of this Report & also available at www.lemontreehotels.com.

N. DESIGNATED ADDRESS FOR INVESTOR SERVICES

The investors may address their queries to the Company at the address mentioned herein below:

Mr. Nikhil Sethi

AVP Legal & 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 your 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 as the Company does not have any debt instruments.

OTHER DISCLOSURES

Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions which has been amended in the Audit Committee and Board Meeting held on March 21, 2022 and the same has been disclosed on the Company's website at the following link: https://www.lemontreehotels.com/factsheet/Policies/Policy_on_ Related_Party_Transaction.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 adopt the highest ethical standards in the course of business, the Company has a Whistle Blower Policy in place for reporting the 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 Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the Whistle Blowers are 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/AmendedLTHCodeofConductandVigilMechanism.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 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 and published in prescribed newspaper and also uploaded on website of the Company. The same are not separately sent to each household of the Shareholders. Significant events are posted on 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 2021-22.

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 SEBI(LODR) Regulations which is available on the website of the Company at https://www.lemontreehotels.com/factsheet/Policies/Policy_for_Determination_of_Material_Subsidiary 15.06.2017.pdf.

Five (5) of the Independent Directors of the Company are also on the Board of material subsidiary viz. Fleur Hotels Private Limited, two (2) of the Independent Directors of the Company are also on the Board of material subsidiary viz. Berggruen Hotels Private Limited and one (1) of the Independent Directors of the Company are also on the Board of material subsidiaries viz. Hyacinth Hotels Private Limited and Iora Hotels Private Limited.

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 2021-22.

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 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 directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority which forms part of the corporate governance report. The same is available on the website of the company www.lemontreehotels.com.

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 the M/s Deloitte Haskins & Sells LLP, Statutory Auditor by the Company and its subsidiaries on a consolidated basis for the Financial Year 2021-22 is ₹ 1.31 Crore (excluding out of pocket expenses).

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the Financial Year under review 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

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.

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 March 31, 2022.

Reconciliation of Share Capital Audit

The reconciliation of Share Capital Audit is conducted by the Company Secretary in practice 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 total number of shares in dematerialised form (held with depositories) and that the request for dematerialization of shares are processed by the R & T Agent within the stipulated period of 21 (Twenty One) 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 Financial Year 2021-22.

Non acceptance of any recommendation of any Committee of the Board which was mandatorily required:

During the Financial Year under review, the Board has generally accepted all recommendations received from all its Committees.

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 SEBI (LODR) Regulations including Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the Stock Exchange within the prescribed timelines from the close of every quarter. Such quarterly compliance report on Corporate Governance also posted on the website of the Company.

A Certificate from M/s Sanjay Grover & Associates, 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.

CEO/CFO certification

To comply with the Regulation 17(8) of 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.

Code of Conduct

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to Executive and Non-Executive Directors as well as Senior Management Personnel. As per the SEBI (LODR) Regulations, the duties of Independent Directors have been suitably incorporated in the said Code as laid down in the Companies Act, 2013.

A copy of the code is available on Company's website www.lemontreehotels.com

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 2021-22.

For Lemon Tree Hotels Limited

Patanjali Govind Keswani
Place: New Delhi **Chairman & Managing Director**
Date: 27.05.2022 **DIN:00002974**

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 31st March, 2022 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.	Number of Director	DIN	Date of appointment in Company
1.	Mr. Patanjali Govind Keswani	00002974	07/10/2002
2.	Mr. Rattan Keswani*	05317766	12/12/2012
3.	Mr. Willem Albertus Hazeleger	07902239	09/08/2017
4.	Mr. Niten Malhan	00614624	06/11/2020
5.	Mr. Ashish Kumar Guha	00004364	15/06/2017
6.	Mr. Arvind Singhania	00934017	15/06/2017
7.	Mr. Paramartha Saikia	07145770	15/06/2017
8.	Ms. Freyan Jamshed Desai	00965073	15/06/2017
9.	Mr. Pradeep Mathur	05198770	05/12/2017
10.	Dr. Arindam Kumar Bhattacharya	01570746	11/04/2019
11.	Mr. Aditya Madhav Keswani	07208901	17/06/2015

* Resigned w.e.f close of business hours of March 31, 2022

Ensuring the eligibility of 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.

Dhawal Kant Singh
Membership No.: F8687
CP No.:7347
UDIN: F008687D000435938

Place: Delhi
Date : 27.05.2022

Corporate Governance Certificate

To

The Members

Lemon Tree Hotels Limited

We have examined the compliance of conditions of Corporate Governance by **Lemon Tree Hotels Limited** ("the Company"), for the financial year ended March 31, 2022 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further 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 Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner
CP No.: 13700 / Mem. No. F8488
UDIN: F008488D000410384

Place: New Delhi
Date: 27.05.2022

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, 2022 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**

Kapil Sharma
Chief Financial officer

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: New Delhi
Date: 27.05.2022

ANNEXURE-6

Remuneration to Directors and Employees

[Pursuant to 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 K 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)	168.18	99.37	98.07	90.29	77.07
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 a experience of over 35 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 20 years	Diploma Degree in Electrical Engineering from Pusa Polytechnic, Pusa, New Delhi and has a total experience of over 42 years in the field of engineering, construction and operations	Chartered Accountant. He has a experience of over 25 years	M.A & LLB from Delhi University and has a total experience of over 38 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	63 Years	47 years	65 years	53 years	61 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	0.04	Nil	0.10	0.15	0.00
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 Directors and Employees

[Pursuant to Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Description	Employees				
a.	Name of the Employee	Mr. Vikramjit Singh (6)	Mr. Mahesh Sesha Aiyer (7)	Ms. Ritu Ranjan (8)	Rajeev Janveja (9)	Ms. Sareena Kochhar (10)
b.	Designation of the employee	President	Senior Vice President Operations-South & West	Chief Design Officer	Corporate Chef Chef	Vice President-Housekeeping
c.	Remuneration Received* (₹ In lakhs)	67.81	55.57	36.17	34.82	32.89
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	Graduate from Sri Ram College of Commerce and a post graduate in Hospitality Management and Administration from the Taj Group of Hotels and has an experience of over 25 years	B.E (Mechanical) & M.B.A and have over 25 years of experience in his field	B.A (Honors) in Philosophy from Delhi University in the year 1987 and having 20 years of experience	Hotel management with experience of 36 years.	B.Sc (Home Science) and Diploma in Hotel Management with over 33 years of experience in Hospitality
f.	Date of commencement of employment with company	15.05.2014	02.07.2018	01.04.2014	01.08.2013	15.07.2006
g.	The age of such employee	47 years	51 years	56 years	59 Years	57 years
h.	The last employment held by such employee before joining the Company	He was an entrepreneur in Assam where he ran his own hotel	Chief Operating Officer at Ozone Group	Self employed	He has previously worked with Taj Group of Hotels as Executive Chef	Corporate Executive Housekeeper with VLCC Health Care
i.	The percentage of equity shares held by the employee in the Company within the meaning of Clause(iii) of sub-rule (2) above	0.05	0.00	0.05	0.01	0.04
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.

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 for which separate figures are not available.

* Due to Covid pandemic which has highly impacted the performance of the Hotels, there has been salary cuts ranging from 50% to 66% to managerial employees and 100% to Chairman & Managing Director of CTC during major part of Financial Year 2021-22.

For **Lemon Tree Hotels Limited**

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: New Delhi
Date: 27.05.2022

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	136	NA
Mr. Kapil Sharma	Chief Financial Officer	NA	NA
Mr. Nikhil Sethi	Group Company Secretary & GM Legal	NA	NA

* Due to Covid pandemic which has highly impacted the performance of the Hotels, there has been salary cuts ranging from 50% to 66% to managerial employees and 100% to Chairman & Managing Director of CTC during major part of Financial Year 2021-22, therefore there is NIL percentage increase in remuneration.

No other directors were paid remuneration during the Financial Year 2021-22

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 Financial Year 2021-22 is 2%.

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, 2022 is 655 across all the locations globally.

4. **Average percentile increase 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**

   This clause is not comparable/applicable during the Financial Year 2021-22 as due to Covid pandemic which has highly impacted the performance of the Hotels, the Company has given salary cuts ranging from 50% to 66% to employees and 100% to Chairman & Managing Director of CTC during major part of the Financial Year 2021-22.

5. It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

For **Lemon Tree Hotels Limited**

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: New Delhi
Date: 27.05.2022

ANNEXURE-8

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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
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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

WE REPORT THAT-

a) Maintenance of secretarial records 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 and 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 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, 2022 ("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, wherever applicable;

(v) The following Regulations 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 during the audit period};

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 {Not applicable during the audit period};

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 {not applicable during the audit period};

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 {Not applicable during the audit period};

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 {Not applicable during the audit period}; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India with which the Company has generally complied with.

We report that the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines, to the extent applicable, as mentioned above, during the Audit Period.

vi) The Company is engaged in the Hotel Business and is running hotels at various locations PAN India. As informed by the management, The Legal Metrology Act, 2009 & rules made thereunder and Food Safety and Standards Act, 2006 and rules made thereunder are the laws specifically applicable to the Company. On the basis of recording in the minutes of Board of Directors, our check on test basis and management representation, we are of the view that the Company has 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 Directors, 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 directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for those meetings which were held at shorter notice in compliance of the provisions 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 views were required to be captured and recorded as part of the minutes.

We further report that systems and processes in the Company are satisfactory, which can further be strengthened commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner
Place: New Delhi **CP No.: 13700 / Mem. No. F8488**
Date: May 27, 2022 **UDIN: F008488D000410483**

ANNEXURE-9

Secretarial Audit Report of Material Subsidiary Companies

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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)
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 **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) Where ever 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 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, 2022 ("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 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 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. 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 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.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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 members of the Company at their extra-ordinary general meeting held on September 17, 2021 passed following special resolution(s)–

- under Section 180(1)(a) of the Act for fixing a limit upto ₹ 1,500 crores (Rupees One Thousand Five Hundred Crores Only) in respect of mortgaging and/ or charging of all the immovable and movable properties of the Company; &

- under Section 180(1)(c) of the Act for fixing a limit upto ₹ 1,500 crores (Rupees One Thousand Five Hundred Crores Only) in respect of borrowing any sum or sums of moneys from time to time from any one or more persons, firms, bodies corporate, Banks/ Financial institutions/ NBFC's or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Priyanka
Partner
CP No.: 16187 / Mem. No. F10898
UDIN: F010898D000411914

Place: New Delhi
Date: May 27, 2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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) Where ever 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 **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 **31st March, 2022** 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 **31st March, 2022** 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. There were no changes in the composition of the Board of Directors during the period under review.

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.

Majority decision is carried through while the dissenting member's views are 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 no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **D.S. Associates**
Company Secretaries

Dhawal Kant Singh
Partner
M. No.: F8687
C P No.: 7347
UDIN: F008687D000364944
Peer Review No.: 1724/2022

Place : New Delhi
Date: 26.05.2022

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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) Where ever 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 **31st March, 2022** 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 **31st March, 2022** 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) There are no other laws specifically applicable to the Company.

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 Directors and Non-Executive Directors. There were no changes in the composition of the Board of Directors during the audit period.

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:

- Increased the authorised share capital by ₹ 3,48,60,000/- (Rupees Three Crore Forty Eight Lakh Sixty Thousand only) vide ordinary resolution passed in the Extra Ordinary General Meeting of the Company held on 03rd March, 2022.
- Issued 1,00,00,000 (One Crore) equity shares on preferential basis vide resolution passed in the Extra Ordinary General Meeting of the company held on 22nd March, 2022 and Board Meeting held on 24th March, 2022.
- Issued 2,54,60,900 (Two Crores Fifty-Four Lakhs Sixty Thousand Nine Hundred) equity shares on preferential basis vide resolution passed in the Extra Ordinary General Meeting of the company held on 22nd March, 2022 and Board Meeting held on 28th March, 2022.

For **D.S. Associates**
Company Secretaries

Dhawal Kant Singh
Partner
M. No.: F8687
C P No.: 7347
UDIN: F008687D000364955
Peer Review No.: 1724/2022

Place : New Delhi
Date: 24.05.2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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) Where ever 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 **31st March, 2022** 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 **31st March, 2022** 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 Directors and Non-Executive Directors. There were no changes in the composition of the Board of Directors during the audit period.

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 no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **D.S. Associates**

Company Secretaries

Dhawal Kant Singh

Partner

M. No.: F8687

C P No.: 7347

UDIN: F008687D000364977

Peer Review No.: 1724/2022

Place: New Delhi

Date:27.05.2022

ANNEXURE-10

Business Responsibility Report FY22

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN)	L74899DL1992PTC049022
2	Name of the company	Lemon Tree Hotels Ltd.
3	Registered Office	Lemon Tree Premier – Delhi Airport Asset No. 6, Aerocity Hospitality District New Delhi 110037
4	Website	www.lemontreehotels.com
5	Email address	hi@lemontreehotels.com sectdeptt@lemontreehotels.com
6	Financial Year Report	2021-22
7	Sector(s) that the company is engaged in (industrial activity code-wise)	Hotels 99631110
8	List three key products /services that the company manufactures/provides	Hotel services – rooms, restaurants, conference facilities
9	Total number of locations where the business activity is undertaken by the Company	Number of International Locations: 2 cities and 2 hotels Number of National Locations: 52 cities, 84 hotels • 41 owned/ leased hotels • 45 managed hotels
10	Markets served by the company – local/state/national/ international	National and international markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital (INR in Lakhs)	INR 70,081.33 Lakhs
2	Total turnover (INR in Lakhs)	INR 12,918.90 Lakhs
3	Total Loss after taxes (INR in Lakhs)	INR (1,605.78) Lakhs
4	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	In FY 22, CSR expenses of ₹ 32.69 lakhs has been disbursed.
5	List of activities in which expenditure in 4 above has been incurred	For youth with disability/special needs or youth from economically/socially marginalised backgrounds: 1. Building awareness in the community 2. Education and self-management/care 3. Like skilling/professional skilling/vocational skilling 4. Train-the-trainer programs Additionally, other community outreach activities by the group hotels across India (as feasible in these pandemic circumstances): • Visits to orphanages, old people's home/Cheshire home, etc. to distribute packed meals, fruit, linen, etc. on special occasions including the hotel anniversary every year • Blood donation camps done annually across the group to support blood banks, especially for the requirements of Thalassemia patients

SECTION C: OTHER DETAILS

1	Does the company have any subsidiary company/ companies?	Lemon Tree Hotels Ltd. has 23 subsidiaries. These companies are all domestic companies
2	Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiaries	Yes they do participate
3.	Do any other entity/entities (e.g. suppliers, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies:

1	DIN Number	00002974
2	Name	Patanjali Govind Keswani
3.	Designation	Chairman & Managing Director

b. Details of BR head

Sr. No.	Particulars	Details
1	DIN Number	00002974
2	Name	Patanjali Govind Keswani
3	Designation	Chairman & Managing Director
4	Telephone Number	+91 11 46050112
5	Email ID	Patu.keswani@lemontreehotels.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ('NVG's) released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and promote, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Business should engage with and provide value to their customers and consumers in a responsible manner.

3. Governance related to BR

Frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the company: Annually

BR or Sustainability Report published by the company: In FY22 Lemon Tree Hotels Ltd. is preparing its first Integrated report (and 2nd ESG disclosure) and will get this report assured.

Additionally, Lemon Tree Hotels Ltd. participates in an annual global survey i.e. Global Real Estate Sustainability Benchmark (GRESB) and is evaluated by them on sustainability performance.

SECTION E: PRINICIPLE-WISE PERFORMANCE

Lemon Tree Hotels commitment to responsible business

Lemon Tree's objective is to be a trusted Indian brand and to stand for more than 'just profit'. Sustainability practices at Lemon Tree have been fundamental to the way we run our hotels and these have come into increasing focus in our interactions with stakeholders: investors, partners, vendors, customers/guests, governments and local communities. Sustainability is a business approach that creates long term stakeholder value by managing risk and embracing opportunities through optimization of the economic, environmental and social bottom lines, also known as the Triple Bottom Line.

PEOPLE | Socially inclusive work ethos & human rights based stakeholder management

PLANET | All hotels to be built to L.E.E.D. Gold/IGBC standards & environmentally friendly engineering services and operational practices

PROFIT | Without profits, we cannot survive

Today, sustainability is globally viewed through the lens of a company's **E**nvironmental, **S**ocial, and Corporate **G**overnance **(ESG)** performance which are the three pillars that measure how sustainable and positive are the impact of a company's operations on all stakeholders including society at large. In fact, the old view that a company's primary objective is to only reward shareholders is becoming obsolete – what the world is interested to know today is how responsibly a company behaves with all its stakeholders. Increasingly even investors and customers are now using ESG as a screening process for potential investments and for use of the brand/company, respectively.

Broadly, **Environmental** criteria evaluate how a company performs as a steward of the planet – the way it uses and replenishes/replaces natural resources like water, air, energy, etc. **Social** criteria examine how it manages relationships with employees, suppliers, partners, customers, guests and the local communities where it operates. **Governance** deals with a company's leadership practices, executive pay, internal controls and audits and shareholder rights/treatment.

Over the last few years, Lemon Tree has strengthened its work in all these areas and observed a positive impact on its stakeholders. During this unprecedented pandemic year, it has become even more evident to us that to sustain our business over time, embedding ESG principles in our business model is a critical requirement.

In summary, the benefits of Lemon Tree using an ESG approach are primarily:

1. Total alignment of company and employee objectives leading to a mutually rewarding engagement and both way loyalty
2. Good corporate citizenship
3. Goodwill and growth of brand value leading to customer preference
4. Investor support
5. Stakeholder admiration

Our effort, at a group level is creating hotels that are designed to qualify for the IGBC/L.E.E.D Gold Standard. Our buildings are designed for universal access and offer energy saving, efficient use of water & other natural resources, reduction of CO2 emission and overall improvement in environmental quality.

The second plank of our strategy has been to offer hotels with universal access for guests of all abilities as well as to build a socially inclusive workplace which seeks to bring in people of different backgrounds, abilities and ethnicities. On 31st March 2022, ~10% of our employee base were Opportunity Deprived Indians (ODIs) including ~335 Employees With Disability (EWDs) and ~259 Employees from Economically/ Socially Marginalised segments across 86 hotels, 54 cities, ~8,400 rooms.

What sets Lemon Tree apart as a mid-market player, is that our hotels - public areas and designated rooms - offer differently abled guests the same useful features as available in a deluxe hotel – and that too at a moderate price. Moreover, our employees are highly sensitized towards people with disability including Speech & Hearing Impaired (SHI), Orthopaedically Handicapped (OH), Down Syndrome (DS) and Autism – as they work with them in the hotel teams daily.

http://www.lemontreehotels.com/about-us.aspx

- Under 'About Us' the buttons on CSR and Eco-Friendly Practices
- Under 'Investor Relations' the buttons on Corporate Governance

Principle 1: policies related to ethics, bribery and corruption

1. *Whistleblower Policy*

   Code of Conduct and Vigil Mechanism

   Lemon Tree Hotels Ltd. believes in the conduct of the its affairs and management of its development, operations and business in an equitable and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and aims to build and strengthen an ethical culture and trust in the organization. Accordingly, a Code of Conduct has been formulated for laying down the principles and standards that should govern the actions of the Company, its subsidiaries, associates, directors and employees and requires them to observe highest standards of business and personal ethics in the conduct of their affairs, duties and responsibilities

   The complete code of conduct is available at website of the Company i.e. www.lemontreehotels.com.

2. *Anti-bribery mechanism for new properties/land acquisition*

   The following stringent processes are being followed to avoid any bribery and corruption occurring when a new property is being bought/built/taken over by Lemon Tree Hotels:

   1) Finalization of city/land.
   2) Due diligence of land/property.
   3) Verification of antecedents of owner and their credibility.
   4) Invitation of tenders.
   5) Completion of all statutory compliances, prior to the hotel opening.
   6) Getting all mandatory licenses in place before the commencement of hotel operations.
   7) Inside and outside surveys by auditors.

   Loopholes are plugged with strong internal mechanism.

Principle 2: Incorporation of Social or Environmental Concerns, Risks and/or Opportunities in Products and Services

The company runs its hotel operations on a sustainability platform and maintains the highest standards of safety and compliance.

Lemon Tree's sustainability strategy (for new constructions) is to design and build hotels that are environmentally friendly and innovative in design. Our goal is to follow the Gold standard specifications of IGBC (Indian Green Building Council)/L.E.E.D for all new constructions. IGBC/L.E.E.D certification will be taken for new construction hotels, as each project is completed & launched, within 1 year of opening.

Examples of environmentally friendly initiatives implemented across the group:

1. Increasing renewable energy as a % of total energy consumed. Currently this is 16% of the total. We are targeting 50%, within the next 5 years.
2. AAC blocks (fly ash) used in the construction of the building. A waste material being put to a purposeful use. Also the walls are built with a cavity (with insulation inserted in between) to reduce the heat load on the building, hence reduce energy requirements.
3. Green cover: a green cover is developed around the building to reduce the heat load and aid with natural cooling.
4. Double glazed windows used for all guest rooms/ office area to reduce the heat load, hence reduce energy requirements. Also noise pollution is reduced. For future construction, we are using low-e glass.
5. Window wall ratio is being maintained at less than 40%, in order to reduce the heat load and yet capture natural light.
6. Material is recycled at our construction sites, to reduce the consumption of natural resources.
7. Material with less embedded energy is being used for construction.
8. Green plumbing fixtures are used across sites.

Examples of specific measures and their impact:

1. Double Glazed Units (DGU) for room windows: we have installed double glazed units (DGU) in the windows of all rooms. It minimizes heat dissipation by a factor of 14 W/sqmdegK, between the internal and external environment.
2. VFD; VRF; Energy saver card (key card access to power in guest rooms): we have installed (1) VFDs for major equipment leading to energy saving of ~25% (2) VRF for all public area air-conditioning. Better control and effective air-conditioning. Saving ~20% (3) Energy saver card – for all unoccupied guest rooms we save on power consumption as the in-room power is accessible only on insertion of the key card. Saving ~50%
3. High usage of/conversion to LED lights, across the group: conversion to LED fixtures helps us save electricity consumption vs that of CFL by ~50%. Also replacement cost of bulbs minimizes to 0 after 2 years of usage. Additionally, manpower cost and time is saved greatly by there being no need to replace a bulb.

4. Use of green fixtures and dual-flush system: these environmentally friendly fixtures and flush systems manage and restrict the flow of water, thereby reducing total water usage. At the same time, the user/guests is able to use water without experiencing any difficulty.

5. Installation of Sewage Treatment Plant (STP): all hotels in the portfolio have an STP plant. All water from bathrooms, kitchen, laundry, etc. is treated in this plant. The treatment involves the MBBR technology to reduce organic matter; maintains BOD and COD of the water was per Government norms.

6. Organic Waste Converter: the OWC machine with shredder is installed in ~12 hotels. All food waste (wet garbage) is put into the OWC and kept for 15 days to be converted into compost. This is then used as manure for horticulture purpose. The ROI is 100% because the earlier collection process came to us at a cost (now that money is saved) and the compost becomes a useful product and the wet garbage is not being thrown in a landfill, thereby not polluting the environment.

7. GHG emissions (Scope 1 and Scope 2): we are now measuring this with the help of an online tool. For FY22 it is 14,398.33 in CO2 equivalent tonnes (measured through an online tool).

Principle 3: Wellbeing and Engagement of Employees

As on 31 March 2022

1	Total number of employees (permanent)	5,391
2	Total number of outsourced employees (temporary/ contractual/casual basis)	684
3	Total number of permanent women employees	567
4.1	Total number of permanent Employees With Disability	335
4.2	Total number of Employees With Disability	335
5	List of employee associations that are recognized by management	1. Shiv Garjana Kamgar Sanghatana 2. Bhartiya Kamgar Sena 3. CITU
6	Percentage of permanent employees who are members of recognized employee associations	1.4%
7.1	Number of complaints related to child labour/ forced labour/involuntary labour	NIL (we do not employ child/ forced/ involuntary labour)
7.2	Number of complaints related to sexual harassment	NIL Pending NIL
7.3	Discriminatory employment	NIL (we do not discriminate while hiring)
7.4	Number of man hours/days for leadership training	NIL
7.5	Number of man hours/days for staff training	13,441 employees / 7,732 training days / 12,741 man hours

Learning and Development Strategy

Lemon Tree's focus on Learning and Development began in the early years itself. This area of work has been developed extensively over the years and resources added to the function so that today it is one of our key strengths. The focus is on building world class capability within the L&D team internally and creating content for all key functions at Lemon Tree. Over the years, we have carefully curated detailed SOPs in the areas of Front Office, Housekeeping, Food & Beverage and Sales and this has been developed into training modules at different level. At each stage the goal is to identify Hi-Potential employees and Super High Achievers – who can be take up the growth ladder by training them ahead of that role being assigned to them, thereby boosting their career path. The vision of the L&D function is to enable talent at all levels and create a pipeline of new leaders within the system. This is done to match the growth of the company in terms of inventory being added every year.

Vision

- Enabling and enhancing talent across all levels with a special focus on leadership development
- Continuously drive & strengthen customer focus and service excellence
- Impact identified business KRA's

Our Learning Cycle

Key Drivers

- Service Excellence
- Customer Retention
- Brand Ownership

Baseline

- Capability Mapping through Review of Prior Learning (RPL)
- Gap Analysis
- Understanding KRAs
- Role Learning Plan

Pedagogy

1. Tell-Show-Do-Assess
2. Visual training aids
3. Learning gamification

Gender Focus

Lemon Tree's goal is to create more opportunities for women from all walks of life and with different backgrounds/qualifications. This translates to a recruitment focus on hiring women, across all units and the Corporate Office, based on their qualifications and our role requirements.

Within this focus, the company lays special emphasis on marginalized or excluded women. This is explained ahead in Principle 4 under the inclusion and mainstreaming initiative implemented by Lemon Tree Hotels.

Employee health and well-being

Lemon Tree Hotels provides opportunities to all employees to benefit from good health practices and exercise. This is usually done in conjunction with a subject matter expert or firm, an NGO or even a bank. It could be health checkups or yoga lessons or even participation in city marathons. The goal is to give each individual a chance to do one of these activities through their work place, if they do not have a way of doing it privately. Also by organizing activities as a group – e.g. marathon participation - we are able to build team spirit amongst the employees.

Principle 4: Respect the Interests of All Stakeholders, Especially Those Who Are Vulnerable and Marginalized

Within The Company

As mentioned, our effort at the group level has been to offer hotels with universal access for guests of all abilities as well as to build a socially inclusive workplace. To make inclusion/diversity a part of our DNA, we are creating an inclusive work environment which seeks to bring in people of different backgrounds, abilities and ethnicities and offer them work as a unified team. The goal is mainstreaming 'Opportunity Deprived Indians' ODIs:

Employees With Disability (EWDs):

Physical

- Speech and Hearing Impaired
- Orthopedically Handicapped
- Acid Survivors
- Low Vision. Going forward, also Visually Impaired

Intellectual

- Down Syndrome
- Autism

People who belong to Economically/Socially marginalized segments:

1. Below Poverty Line
2. Widowed or abandoned/battered/destitute/ divorced women
3. Orphans
4. Individuals from economically weak families
5. Communities who do not get education and employment opportunities easily i.e. North Eastern States, Bihar, Jharkand, Chhattisgarh, Orissa, tribal/interior areas of any state, etc.

For any of the above segments (except #2), we consider those who have studied up to Class 9.

Lemon Tree has been hiring EWDs since 2007 and now ~6% of employees (~335 people) are EWDs. Initially, we inducted EWDs only in back-end roles like Kitchen Stewarding and Housekeeping, where direct guest interaction was minimal. Also the focus was only on deaf employees. This gave us an opportunity to develop standard operating procedures and training modules in an iterative manner. Subsequently we extended this initiative to restaurants, where interaction with guests is an integral part of the job role. We now also regularly hire orthopaedic impairment, low vision, Acid Survivors, Down Syndrome and Autism. The last two, fall under Intellectual & Developmental Disability & require external support.

Definitions for the Economically/Socially marginalized segments

Below Poverty Line (BPL) Individuals

We follow the guidelines laid down by the Government of India - based on the principle of 'Income based poverty line in India':

- Below Poverty Line – BPL
- Above Poverty Line – APL

For the purpose of hiring, Lemon Tree focuses on:

- BPL – individuals who have the BPL ration card issued by their District Revenue Officer.

Individuals from economically weak families

We target economically needy families as defined (and audited) by our partner NGOs (government recognized). The usual criteria is family income not exceeding

₹ 10,000 p.m. and a house or bike/car is not owned by the family. These individuals are children of drivers, maids, rickshaw pullers, daily contract workers, small shop owners, etc.

Widowed or abandoned/battered women

A widow, with or without children:

- War widow - whose spouse has sacrificed his life for the nation, during insurgency operations/war or in the normal course of life, while in the armed forces (Army/Navy/Air Force)
- Needy widow or abandoned/battered women

The aim is to help her make a living to sustain herself and her children.

Orphans

A needy orphan, attached to a registered NGO/orphanage and brought up with support of that orphanage. This individual should be of legal working age (18 years+).

Focus States

Lemon Tree attempts to bring in people from different parts/states of India and especially those communities who do not get employment opportunities easily. For this segment, we consider those who have studied up to Class 9 and not beyond that. Examples of such communities include North Eastern States (Seven Sister States) of Assam, Nagaland, Arunachal Pradesh, Sikkim, Manipur, Meghalaya and Mizoram as well as Siliguri (part of West Bengal). Also notified underdeveloped districts in states like Bihar, Chhattisgarh, Jharkhand and Orissa.

2022 update

Our hiring process re-started intermittently through the year (we had to freeze hiring for a few months on account of the continuing impact of the pandemic (Delta and then Omicron) on the hospitality sector), and we are making an attempt to build back the ODI numbers to pre-COVID levels i.e. ~20%. In order to do this, we are attempting to onboard new segments of employees with disability and economically/socially marginalized segments, as well as continue doing job mapping for new disability types and/or for new roles. Lemon Tree is also rebuilding focus on the women: men ratio at entry level, hotel leadership level and company leadership level. Currently at ~9% we want to get more women to work at Lemon Tree and raise this level to 30%+, represented across all band levels.

With The Community

Tribal Art

Lemon Tree Hotels is the largest buyer nationally of tribal art from Bastar, Madhya Pradesh. This enables the group to support poor tribal craftsmen in this region and allows the chain to showcase their art extensively across its hotels.

Giving Back To Society

Lemon Tree Hotels supports and partners these NGOs and societies:

- **Goonj:** which provides clothes and utensils to the impoverished, especially as part of disaster relief
- **Suniye:** that runs a school for Speech and Hearing Impaired children from economically weaker sections of society. It provides extensive life skills support to these children.
- **Akshaya Patra:** whose focus is to eliminate hunger in the city. It regularly provides a free meal to approximately 2000 destitute people in Delhi, across the city.
- **Ramanujan Society:** where LTH has donated gifts to students for successfully clearing the IIT entrance exam.

Our 2% CSR contribution in FY22 was made to these 7 NGOs, who work extensively in the education/skilling of youth with special needs including intellectual and development disability (IDD), autism, speech & hearing impaired (SHI)/deaf, orthopaedic handicap (OH) and visually impaired/low vision:

- **Aasraa Trust**
- **AADI**
- **Action For Autism**
- **Muskaan**
- **Noida Deaf Society**
- **Sai Swayam Society**
- **Sarthak Educational Society**

Art Objects Through People For Animals

Lemon Tree Hotels is a large supporter of art objects promoted by People for Animals. This money helps support the initiatives undertaken by PFA for the welfare and care of animals across India.

Principle 5: Respect and Promote Human Rights

Lemon Tree hotels believes in nurturing an inclusive and diverse work force. The focus is on building diversity through gender, ethnicity, geography, mainstreaming Opportunity Deprived Indians (ODIs) including Employees With Disability and employees from economically marginalized segments. This effort is now part of the company's culture and DNA. In the process we take great care to protect and promote human rights for all.

This philosophy cuts across hiring as well as the customers we serve. Lemon Tree has become a brand of choice for persons with special needs as they are aware of our inclusive culture and hence know that our employees are well sensitized and able to effectively serve guests who have special requirements. For deaf guests, it is very encouraging that all our employees can communicate in Indian Sign Language.

Safety of our employees, especially women is paramount to us. We have put in place a robust ombudsman policy. Briefly,

Principle 6: Address Environmental Issues and Respect the Environment

Lemon Tree has a deep commitment to preserving the environment and has built in sustainability practices into the construction and running of hotels.

Definition of Sustainability

The most commonly accepted definition is that of the Brundtland Commission of the United Nations in 1987:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

It contains two key concepts:

- the concept of 'needs', in particular the essential needs of the world's poor
- the idea of 'limitations' imposed by the state of technology and social organization

Another popular definition of Sustainability is the notion that organizations must pursue a Triple Bottom Line, namely:

People

Fair and beneficial business practices toward labor and the community.

Planet

Sustainable environmental practices

Profit

Economic value created by the organization after deducting all costs

Caring for the Environment

- Our existing and upcoming hotels are designed and constructed to qualify for the L.E.E.D Gold Standard. Leadership in Energy and Environment Design (L.E.E.D) is the internationally recognized eco-friendly building certification standard awarded by the United States Green Building Council (USGBC) and the Indian Green Building Council (IGBC) to buildings designed for energy savings, efficient use of water, reduction of CO2 emission and overall improvement in environmental quality.
- Lemon Tree Premier and Red Fox Hotel, Delhi Aerocity certified in 2014
- Lemon Tree Premier, City Center, Gurgaon certified in 2016
- Lemon Tree Hotel and Red Fox Hotel, Sector 60 Gurugram certified in 2019
- Lemon Tree Premier, City Center, Pune certified in 2021
- Planting of trees, shrubs on hotel premises
- Universal design, for greater access for differently abled people

Energy Conservation

- Variable Refrigerant Volume (VRV) technology for air-conditioning: 30% more efficient and provides superior comfort as compared to conventional air-conditioning
- Heat Recovery Ventilators (HRV) with thermal enthalpy wheels: for heat recovery from washroom exhausts
- Chilled water reset through building automation: to reduce power consumption required for cooling building
- Heat pumps: for heat recovery, for heating domestic water.
- LED lighting and CFL Lighting: both consume far less energy than traditional lighting
- Key Tag Energy Saver System: conserves energy in unoccupied rooms
- Natural / day lighting: reduces power consumption dramatically
- Double Glazed Vacuum Sealed Windows: conserves energy (by ~ 5%) and reduces noise
- Auto Time Management (for lighting, air-conditioning and ventilation fans) through timers and motion sensors: helps conserve energy
- Energy-Efficient Hydro-Pneumatic System with Variable-frequency Drive (VFD) motors for water supply: ensures constant pressure and reduces load on pumps

- LT Voltage Stabilizer: is energy saving and prevents damage to equipment due to sudden power fluctuations
- Thermal Insulation: increases room comfort and conserves energy
- Use of BEE certified equipment e.g. air-conditioner, refrigerator, fans, etc.: reduces energy consumption
- Solar Panel for hot water: alternative, renewable energy
- Wind power: alternative, renewable energy. Implemented at our hotels in Chennai. We are working on more cities and hotels, to implement this initiative at.

Water Conservation

- Sewage Treatment Plant (STP): recycles water used across the hotel. Approximately 30% of this recycled water is used in the garden and flush systems
- Aerators/Flow Restrictors including Duel Flush System: maintains water force and yet reduces outflow, hence saving water
- Rain Water Harvesting: protects and replenishes the ground water table
- Auto Flush For Public Urinals: minimizes water wastage
- Guest engagement program – water saving poster placed in all rooms that quantifies the saving of water each guest can do by not getting their linen changed daily – encourages them to do their small bit to save precious water when they are travelling.

Green Fuels and Green Materials

- Use of CNG instead of LPG: leads to reduction of pollution
- Use of Green Building Material e.g.
- Recycled Wood/Medium Density Fiberboard (MDF): saves trees
- Rubber Wood: environmentally friendly as it makes use of trees that have already served a useful function.
- Particle Board : engineered wood manufactured from wood chips, sawmill shavings or saw dust
- AAC blocks i.e. cement concrete blocks in flyash: offers several benefits including thermal efficiency i.e. reduces the heating and cooling load in buildings; resource efficiency gives it lower environmental impact in all phases of its life cycle; light weight increases chances of survival during seismic activity.

Waste Management

- Sewage Treatment: prevents pollution

Noise Pollution Management

- Double Glazed Vacuum Sealed Windows: reduces external noise level below 50 decibels
- Environmental Seals: prevents entry of noise and smoke (in case of fire) into the room
- Noiseless Generators: acoustically insulated, the sound level is dampened to a minimal level

Operational Practices

- All our restaurants serve a half glass of water, and on request can serve a full glass. This helps save a number of litres daily. And guests feel that they too are participating in our sustainability program.
- Laundry paper/cloth bags instead of plastic: environmentally friendly
- Recycled garbage bio-degradable bags: environmentally friendly
- Water glasses inverted and placed on a cork surface: thereby doing away with plastic covers
- Pencils not plastic pens

Principle 7: Membership of Trade Chamber/ Association for the Advancement and Improvement of Public Good

Lemon Tree Hotels has been participating in hotel industry forums and associations for a number of years. Also the work being done in skilling by the government, in partnership with the private sector is another area where the company has proactively taken steps to participate and lead these initiatives. To name a few:

- Hotel Association of India (HAI)
- Federation of Hotels and Restaurants Association of India (FHRAI)
- Tourism & Hospitality Skills Council (THSC)
- Skills Council for Persons With Disability (SCPwD) – Lemon Tree Hotels has lead this council for the first 5 years. During FY22 this was handed over to a new Chairperson.

Our stewardship of SCPwD has been both pioneering and path-breaking, in that we have helped shape the training methodology and content for people with special needs across 11 industries and guided the SCPwD team on setting up a robust mechanism for training, certification and job placement.

Principle 8: Support Inclusion and Equity in the Organization

The company's focus on equal opportunity is central to its business model and has been detailed under Principle 4 of the Business Responsibility Report. Please refer to that section.

Principle 9: Engage with Customers in a Responsible Manner and Provide Value to Them

Lemon Tree Hotels keeps the 'guest' in the center and offers a range of products, services and benefits that not only attract the first time consumer, but make our customers loyal to the brand. This occurs in the following ways:

- Delivering on the brand specs for the upscale segment i.e. Aurika Hotels & Resorts as well as 3 segments of the mid-market i.e. upper midscale (Lemon Tree Premier, Keys Prima), midscale (Lemon Tree Hotels, Keys Select) and economy (Red Fox Hotel, Keys Lite), especially for first time users
- Run a robust loyalty program – Lemon Tree Smiles – which offers members the best rates, most relevant inclusions e.g. ultra high-speedWiFi, earns them points faster and drives recognition across the group's hotels in India
- Ease of access to reservations and offers, both online and offline through:
- Lemontreehotels.com
- Central Reservation Center
- 360 approach and investment in Digital Marketing
- Online travel agent partners including Trip Advisor, Make My Trip, Booking.com, Expedia and many more
- Offline travel agents and tour operators, both domestic and international. Including guests who books as FITs or as groups/series
- Meetings, Incentives, Conferences & Exhibitions (MICE) focus
- A driven, effective and powerful sales force across all our cities in India
- Establishing and leveraging a robust CRM mechanism

Another important area of focus is customer feedback and Online Reputation Management (ORM). A dedicated team works on this for the group and the goal is to address errors in service and failures in the shortest possible time through a well-structured process between the Hotel Operations Team and the ORM team.

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

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place : New Delhi
Date: 27.05.2022

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 comprising the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant 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, trusts, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash outflows 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 specified under section 143 (10) of the Act (SAs). 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 the 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.

Emphasis of Matter

Attention is invited to Note 33 of the consolidated financial statements which sets out the Group's assessment of impact of COVID-19 pandemic situation. Based on these assessments, the management has concluded that the Group will able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2022.

Our opinion is not modified in respect of this matter.

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.

Key Audit Matter	Auditor's Response
Impairment assessment of hotel properties	**Principal Audit Procedures performed:**
(Refer Note 33(a) to the Consolidated Financial Statements) At each reporting period, the Group assesses the carrying amounts of hotel properties (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 investments. 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.	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. 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. Our assessment included: i) Challenged Group's key market related assumptions used in the model including discount rate, long term growth rates against external data, using our valuation expertise; ii) Assessed the reliability of cash flow forecasts through a review of actual past performance; iii) Challenged the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate along with impact of COVID-19 on the same. To consider forecasting risk we also performed sensitivity analysis over these assumptions. We have used valuation specialist to assess the appropriateness of the weighted average cost of capital used in the determining recoverable amount. 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 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.

Management's Responsibility 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 loss, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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 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 control 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 and its subsidiaries and associate companies which are companies incorporated in India, has adequate internal financial controls system 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 or business activities 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 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 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 control 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 21 subsidiaries and 1 Limited Liability Partnership Firm (as mentioned below), whose financial statements reflect total assets of ₹ 133,852.59 Lakhs as at March 31, 2022, total revenues of ₹ 8,451.35 Lakhs and net cash outflow amounting to ₹ 560.48 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 after tax of ₹ 106.17 Lakhs for the year ended March 31, 2022, 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 sub-section (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 consolidated financial statements and not audited by us are as below:

A. Subsidiaries -

1. PSK Resorts and Hotels Private Limited
2. Canary Hotels Private Limited
3. Sukhsagar Complexes Private Limited
4. Manakin Resorts Private Limited
5. Oriole Dr. Fresh Hotels Private Limited
6. Carnation Hotels Private Limited
7. Grey Fox Project Management Company Private Limited
8. Dandelion Hotels Private Limited
9. Lemon Tree Hotel Company Private Limited
10. Red Fox Hotel Company Private Limited
11. Berggruen Hotels Private Limited
12. Valerian Management Services Private Limited
13. Inovoa Hotels and Resorts Limited
14. Iora Hotels Private Limited
15. Ophrys Hotels Private Limited
16. Bandhav Resorts Private Limited
17. Celsia Hotels Private Limited
18. Poplar Homestead Holdings Private Limited
19. Madder Stays Private Limited
20. Hamstede Living Private Limited
21. Jessamine Stays 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

(b) We did not audit the financial statements of Krizm Hotels Private Limited Employees Welfare Trust (the "Trust") whose financial statements reflect total assets of ₹ 373.31 Lakhs as at March 31, 2022, total revenues of ₹ 0.06 Lakhs and net cash inflows of ₹ 20.12 Lakhs for the year ended March 31, 2022, as considered in the standalone financial statements of the Parent included in the Group. These financial statements have been audited by other auditor whose report 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 other auditor.

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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement 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, 2022 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, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) 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 Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   h) 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))

      ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts. (Refer note 48)

      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)

      iv) a) The respective Managements of the Parent and its subsidiaries 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 respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, 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 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 ("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 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 respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries 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 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 that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries 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 has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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 the auditors of the subsidiaries and associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report except for the following:

Sl No	CIN	Name of the Company	Nature of the relationship	Clause Number of CARO report with qualification or adverse remark
1	L74899DL1992PLC049022	Lemon Tree Hotels Limited	Parent	xvii
2	U55101DL2003PTC207912	Fleur Hotels Private Limited	Subsidiary	xvii
3	U55204DL2007PTC166050	Hyacinth Hotels Private Limited	Subsidiary	xvii
4	U55101DL2009PTC192981	Iora Hotels Private Limited	Subsidiary	xvii
5	U55101DL2005PTC212230	Manakin Resorts Private Limited	Wholly Owned Subsidiary	xvii
6	U70101DL1993PTC172878	Sukhsagar Complexes Private Limited	Wholly Owned Subsidiary	xvii
7	U55101MH2006PTC164475	Berggruen Hotels Private Limited	Subsidiary	xvii

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Vijay Agarwal
(Partner)
(Membership No. 094468)
(UDIN: 22094468AJSTJB6985)

Place: New Delhi
Date: May 27, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Lemon Tree Hotels Limited (hereinafter referred to as "Parent") and its subsidiary 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 subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting 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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 21 subsidiary companies and 3 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 matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Vijay Agarwal
(Partner)
(Membership No. 094468)
(UDIN: 22094468AJSTJB6985)

Place: New Delhi
Date: May 27, 2022

Consolidated Balance Sheet

as at March 31, 2022

Particulars	Note	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	2,50,957.65	2,57,128.98
(b) Capital work-in-progress	4	29,455.09	24,178.34
(c) Investment Property	5	179.90	183.47
(d) Goodwill on consolidation	6.1	9,508.44	9,508.44
(e) Intangible assets	6.1	1,469.76	1,952.68
(f) Intangible asset under development	6.2	227.91	-
(g) Right to use asset	7	42,987.60	50,604.13
(h) Financial assets	8		
(i) Investments		367.13	463.11
(ii) Loans		41.21	87.46
(iii) Other non- current financial assets		7,585.79	7,660.37
(i) Deferred tax assets (net)	9.1	4,607.62	4,036.49
(j) Non-current tax assets (net)	9.2	2,445.80	2,300.16
(k) Other non-current assets	10	571.43	725.27
		3,50,405.33	**3,58,828.90**
Current assets			
(a) Inventories	11	812.31	722.45
(b) Financial assets			
(i) Trade receivables	12	2,905.75	3,081.88
(ii) Cash and Cash equivalents	13	5,428.61	12,745.72
(iii) Other bank balances	14 (i)	-	1,368.50
(iv) Investments	8	594.73	91.12
(v) Other current-financial assets	14 (ii)	237.72	415.02
(c) Other current assets	15	3,118.89	4,598.48
		13,098.01	**23,023.17**
Total Assets		**3,63,503.34**	**3,81,852.07**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	16	79,081.33	79,042.14
(b) Other Equity	17	4,043.55	12,715.70
Equity attributable to owners of the parent		**83,124.88**	**91,757.84**
(c) Non-controlling interests	18	56,763.00	61,738.99
Total Equity		**1,39,887.88**	**1,53,496.83**
Liabilities			
Non-current liabilities			
(a) Financial liabilities	19		
(i) Borrowings		1,55,348.77	1,51,351.15
(ii) Lease liability	20	42,473.49	46,707.29
(b) Provisions	21	261.67	293.06
(c) Deferred tax liabilities (net)	9.1	200.53	369.57
		1,98,284.46	**1,98,721.07**
Current liabilities			
(a) Financial liabilities	22		
(i) Borrowings		14,516.18	17,175.46
(ii) Lease liability	20	458.13	712.28
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		627.81	316.80
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,223.31	7,423.58
(iv) Other current financial liabilities		619.11	1,878.98
(b) Provisions	21	1,977.54	485.79
(c) Other current liabilities	23	1,908.92	1,641.28
		25,331.00	**29,634.17**
Total Liabilities		**2,23,615.46**	**2,28,355.24**
Total Equity and Liabilities		**3,63,503.34**	**3,81,852.07**
See accompanying notes forming part of the financial statements.	1 to 52		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place: New Delhi
Date : May 27, 2022

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

Particulars	Note	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Revenue from operations	24	40,224.01	25,172.04
Other Income	25	1,402.99	1,325.88
Total Income		**41,627.00**	**26,497.92**
Expenses			
Cost of food and beverages consumed	26	2,785.37	1,784.13
Employee benefits expense	27	9,731.64	7,039.02
Power and fuel	28(a)	4,375.38	3,274.25
Stamp duty expenses	28(b)	1,525.03	-
Other expenses	28(c)	9,940.34	6,947.69
Total Expenses		**28,357.76**	**19,045.09**
Profit before depreciation and amortization, finance cost, finance income and tax (EBITDA) (refer note 2.2(p))		13,269.24	7,452.83
Finance costs	29	18,093.70	19,045.72
Finance income	30	(695.92)	(873.32)
Depreciation and amortization expense	31	10,434.75	10,755.32
Net loss before tax and share of associates		**(14,563.29)**	**(21,474.89)**
Share of profit/(loss) of associate		104.06	(399.53)
Loss before tax		**(14,459.23)**	**(21,874.42)**
Tax expense:			
(1) Current tax	9.1	25.24	(1.57)
(2) Deferred tax			
- Deferred tax expense related to current year		(748.30)	(3,218.68)
		(723.06)	**(3,220.25)**
Loss for the year		(13,736.17)	(18,654.17)
Other comprehensive income/(expenses)			
(i) Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		45.26	(23.57)
Income tax effect		(2.29)	1.37
		42.97	**(22.20)**
Total comprehensive loss for the year		**(13,693.20)**	**(18,676.37)**
Loss for the year		**(13,736.17)**	**(18,654.17)**
Attributable to:			
Equity holders of the parent		(8,743.39)	(12,706.82)
Non-controlling interests		(4,992.78)	(5,947.35)
Total comprehensive loss for the year		(13,693.20)	(18,676.37)
Attributable to:			
Equity holders of the parent		(8,717.22)	(12,718.58)
Non-controlling interests		(4,975.98)	(5,957.79)
Loss per equity share			
(1) Basic	32	(1.11)	(1.61)
(2) Diluted	32	(1.11)	(1.61)
See accompanying notes forming part of the financial statements.	1 to 52		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place: New Delhi
Date : May 27, 2022

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

Consolidated Statement of Changes in Equity
as at March 31, 2022

A. EQUITY SHARE CAPITAL

	No. of shares	Amount ₹ in lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 1, 2020	79,03,14,473	79,031.44
Change in shares held by ESOP trust (refer note 16)	1,07,000	10.70
As at March 31, 2021	**79,04,21,473**	**79,042.14**
Change in shares held by ESOP trust (refer note 16)	3,91,900	39.19
As at March 31, 2022	**79,08,13,373**	**79,081.33**

B. OTHER EQUITY

(₹ in Lakhs)

	Reserves and Surplus					Items of Other comprehensive income		
	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	Non-controlling interests	Other equity
As at April 1, 2020	23,200.88	45.00	10,394.51	3,035.24	(16,822.87)	3.98	55,587.94	75,444.68
Loss for the year	-	-	-	-	(18,654.17)	-	-	(18,654.17)
Other comprehensive loss for the year	-	-	-	-	-	(22.20)	-	(22.20)
Total comprehensive loss for the year attributable to non-controlling interests	-	-	-	-	5,957.79	-	(5,957.79)	-
Amount on disposal of interest in subsidiary (also refer note 44)	5,565.24	-	-	-	-	-	-	5,565.24
Change in shares held by ESOP trust (Refer Note 17)	-	-	12.31	-	-	-	-	12.31
Movement during the year due to non-controlling interest	-	-	-	-	-	-	12,108.84	12,108.84
As at March 31, 2021	**28,766.12**	**45.00**	**10,406.82**	**3,035.24**	**(29,519.26)**	**(18.22)**	**61,738.99**	**74,454.69**
Loss for the year	-	-	-	-	(13,736.17)	-	-	(13,736.18)
Other comprehensive loss for the year	-	-	-	-	-	42.97	-	42.97
Total comprehensive loss for the year attributable to non-controlling interests	-	-	-	-	4,975.98	-	(4,975.98)	-
Change in shares held by ESOP trust (Refer Note 17)	-	-	45.07	-	-	-	-	45.07
As at March 31, 2022	**28,766.12**	**45.00**	**10,451.89**	**3,035.24**	**(38,279.45)**	**24.75**	**56,763.00**	**60,806.55**

See accompanying notes forming part of the financial statements. 1 to 52

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place: New Delhi
Date : May 27, 2022

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

Consolidated Statement of Cash flow
for the year ended March 31, 2022

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
A. Cash flow from operating activities		
Loss before tax	(14,459.23)	(21,874.42)
Non-cash adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	10,434.75	10,755.32
Waiver of lease rent	(576.60)	(1,200.34)
Share of (Profit)/Loss of associate	(104.06)	399.53
Finance income (including fair value change in financial instruments at amortised cost)	(616.15)	(773.04)
Finance costs	17,857.36	18,897.71
Gain on termination of lease	(323.67)	-
Provision for gratuity	(20.93)	56.81
Provision for leave encashment	(20.59)	10.70
Provision for stamp duty	1,525.03	-
Excess provision/ credit balances written back	(368.89)	(9.86)
Provision for litigations	22.10	22.11
Provision for doubtful debts	88.30	100.11
Net loss on sale of property, plant and equipment	18.92	-
Net gain on sale of current investments	(36.14)	(2.91)
Operating profit before working capital changes:	**13,420.20**	**6,381.72**
Movements in working capital:		
Decrease in trade receivables	87.83	1,845.12
(Decrease)/Increase in loans and advances and other current assets	1,220.64	(1,759.13)
(Increase)/Decrease in inventories	(89.86)	99.31
(Decrease)/Increase in liabilities and provisions	(943.90)	(3,423.83)
Cash Generated from Operations	**13,694.91**	**3,143.19**
Direct taxes paid (net of refunds)	(165.03)	958.20
Net cash flow generated from operating activities (A)	**13,529.88**	**4,101.39**
B. Cash flows used in investing activities		
Purchase of property, plant and equipment including adjustment of CWIP, capital advances and capital creditors	(6,754.90)	(7,044.35)
Proceeds from sale of property, plant and equipment	78.14	601.84
Receipt/(Investment) from Fixed Deposits (net)	1,585.56	(1,368.50)
Proceeds from sale of other non current investments	236.19	96.87
(Purchase)/sale of current investments (net)	(500.45)	353.16
Interest received	811.17	801.74
Net Cash flow used in investing activities (B)	**(4,544.29)**	**(6,559.24)**
C Cash flows from financing activities*		
Proceeds from issuance of share capital	84.26	23.01
Proceeds from Minority Interest (issuance of share capital by Subsidiary)	(0.00)	17,497.61
Payment of lease liability	(3,721.17)	(2,680.89)
Proceeds from long term borrowings	26,040.68	13,063.36
Repayment of long term borrowings	(22,292.53)	(7,085.00)
Net Repayment of short term borrowings	(2,409.81)	(1.55)
Interest paid	(14,004.13)	(9,694.70)
Net Cash flow from/(used in) financing activities (C)	**(16,302.70)**	**11,121.84**

Consolidated Statement of Cash flow

for the year ended March 31, 2022

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(7,317.11)	8,663.99
Cash and cash equivalents at the beginning of the year	12,745.72	4,081.73
Cash and cash equivalents at the end of the year	**5,428.61**	**12,745.72**
Components of cash and cash equivalents (refer note 13)		
Cash on Hand	74.07	53.50
Balances with Scheduled Banks in		
- Current accounts	3,184.34	2,333.22
- Deposits with original maturity of less than three months	2,170.20	10,359.00
Total cash and cash equivalents	**5,428.61**	**12,745.72**

*There are no non-cash changes arising from financing activities.

See accompanying notes forming part of the financial statements. 1 to 52

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Vijay Agarwal
Partner

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

Place: New Delhi
Date : May 27, 2022

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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 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 Lemon Tree Hotel, Lemon Tree Premier, Red Fox Hotel, Aurika, 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 are approved for issue by the Board of directors on May 27, 2022.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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 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

2.2 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, 2022. 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

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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.

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.

On transition to IND AS, the Group has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015 in the consolidated financial statements, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

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/ deemed disposal), 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.

2.3 Summary of significant 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 amortisation recognised in accordance with Ind AS 18 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 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

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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

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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.

(b) 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.

(c) 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).

(d) 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.

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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 consolidated 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)

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(e) 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 recognised.

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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. 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 Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from management services comprises fixed & variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

(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.

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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 subsidiaries, and 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 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

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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 Property, plant and equipment is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of Property, plant and equipment as follows:

Property, plant and equipment	Useful life considered
Plant & Machinery	15 Years
Building	60 Years
Electrical installations and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	8 Years
Crockery, cutlery and soft furnishings	3 Years
Commercial Vehicles	6 Years
Private Vehicles	8 Years
Computers	3 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 are assessed as 3 years 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 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

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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 the year. 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

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for the year ended March 31, 2022

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 recognised impairment losses no longer exist

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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.

(q) 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. 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 at fair value through other comprehensive income (FVTOCI)
- 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)

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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 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 FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). 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) Financial assets that are debt instruments and are measured as at FVTOCI

c) 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 17

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

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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 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 Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs, and tax expense.

(v) Indirect taxes

Value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of value added taxes/GST 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.

(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.

Notes to Consolidated financial statements
for the year ended March 31, 2022

3. PROPERTY PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	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	Total (Tangible Assets)
Gross Carrying amount												
Cost												
As at April 1, 2020	50,486.20	1,61,645.52	27,960.72	26,823.54	5,545.03	3,175.48	452.90	10,397.21	3,859.69	713.49	1,408.39	2,92,468.16
Additions	-	523.34	2.97	128.60	8.98	42.50	0.22	88.96	6.04	3.12	68.02	872.74
Additions on inclusion of new subsidiary (refer note 44)	-	-	26.36	-	-	-	3.06	8.64	-	9.42	-	47.48
Eliminated on Disposals	360.12	230.84	-	-	-	-	-	-	-	-	35.77	626.73
As at March 31, 2021	**50,126.08**	**1,61,938.02**	**27,990.05**	**26,952.13**	**5,554.01**	**3,217.98**	**456.18**	**10,494.81**	**3,865.73**	**726.02**	**1,440.64**	**2,92,761.66**
Additions	-	1,161.31	6.03	323.77	65.54	111.21	8.42	63.91	6.16	54.08	160.11	1,960.54
Eliminated on Disposals	-	-	-	31.17	-	-	-	-	-	-	190.99	222.16
As at March 31, 2022	**50,126.08**	**1,63,099.33**	**27,996.08**	**27,244.74**	**5,619.55**	**3,329.19**	**464.60**	**10,558.72**	**3,871.90**	**780.10**	**1,409.76**	**2,94,500.04**
Depreciation												
As at April 1, 2020	-	5,583.60	2,666.47	6,710.31	3,005.46	1,727.69	199.37	4,730.28	1,811.71	396.14	407.92	27,238.96
Charge for the year	-	2,715.02	459.11	2,478.44	340.67	209.08	31.88	939.82	900.05	127.66	182.66	8,384.36
On account of inclusion of new subsidiary (refer note 44)	-	-	26.37	-	-	-	0.94	1.48	-	5.45	-	34.24
Eliminated on Disposals	-	13.14	-	-	-	-	(0.00)	-	-	0.00	11.75	24.88
As at March 31, 2021	**-**	**8,285.46**	**3,151.94**	**9,188.75**	**3,346.13**	**1,936.77**	**232.20**	**5,671.58**	**2,711.76**	**529.24**	**578.84**	**35,632.68**
Charge for the year	-	3,215.33	459.21	2,032.00	213.83	135.02	28.05	944.67	723.40	99.61	183.70	8,034.82
Eliminated on Disposals	-	-	-	19.56	-	-	-	-	-	-	105.54	125.10
As at March 31, 2022	**-**	**11,500.78**	**3,611.15**	**11,201.19**	**3,559.96**	**2,071.79**	**260.26**	**6,616.25**	**3,435.16**	**628.84**	**657.00**	**43,542.40**
Net Block												
As at March 31, 2022	**50,126.08**	**1,51,598.55**	**24,384.93**	**16,043.55**	**2,059.59**	**1,257.40**	**204.34**	**3,942.47**	**436.74**	**151.26**	**752.76**	**2,50,957.65**
As at March 31, 2021	**50,126.08**	**1,53,652.56**	**24,838.11**	**17,763.39**	**2,207.87**	**1,281.21**	**223.98**	**4,823.22**	**1,153.97**	**196.79**	**861.81**	**2,57,128.98**

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Net book value	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Property, plant and equipment	2,50,957.65	2,57,128.98

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 16 on 'borrowings'.
b) Refer Note 33 for Estimation of uncertainities related to global health pandemic on COVID-19 and critical judgements, estimates and assumptions wrt Impairment of Property Plant & Equipment.
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 registerd in the name of the Group

4. CAPITAL WORK-IN-PROGRESS

Hotel at Udaipur

Particulars	Amount ₹ in lakhs
Balance as at April 01, 2020	346.23
Capitalised during the year	(346.23)
Balance as at March 31, 2021	**-**
Additions during the year	-
Balance as at March 31, 2022	**-**

Hotel at Shimla*

Particulars	Amount ₹ in lakhs
Balance as at April 01, 2020	1,449.79
Additions during the year	97.80
Balance as at March 31, 2021	**1,547.59**
Additions during the year	219.36
Balance as at March 31, 2022	**1,766.95**

*Represents hotel construction work in progress at Shimla, Project is expected to be completed in financial year 2024-25.

Hotel at MIAL Aerocity, Mumbai*

Particulars	Amount ₹ in lakhs
Balance as at April 01, 2020	17,157.87
Additions during the year	5,470.13
Balance as at March 31, 2021	**22,628.00**
Additions during the year	5,060.14
Balance as at March 31, 2022	**27,688.14**

* Construction work is under progress, Hotel is expected to be commissioned by 2023-24

Capital work in progress at office

Particulars	Amount ₹ in lakhs
Balance as at April 01, 2020	2.75
Additions during the year	-
Balance as at March 31, 2021	**2.75**
Additions during the year	(2.75)
Balance as at March 31, 2022	**-**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Capital work-in-progress	29,455.09	24,178.34

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

CWIP Ageing schedule

As at March 31, 2022

(₹ 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	5,276.75	5,567.93	6,018.91	12,591.50	29,455.09
Total	**5,276.75**	**5,567.93**	**6,018.91**	**12,591.50**	**29,455.09**

As at March 31, 2021

(₹ 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	5,567.93	6,018.91	3,217.87	9,373.63	24,178.34
Total	**5,567.93**	**6,018.91**	**3,217.87**	**9,373.63**	**24,178.34**

5. INVESTMENT PROPERTY

₹ in lakhs

Particulars	Total
Cost	
As at April 1, 2020	209.82
Additions	-
As at March 31, 2021	**209.82**
Additions	-
As at March 31, 2022	**209.82**
Depreciation and Impairment	
As at April 1, 2020	21.96
Charge for the year	4.39
As at March 31, 2021	**26.35**
Charge for the year	3.57
As at March 31, 2022	**29.92**
Net Block	
As at March 31, 2022	**179.90**
As at March 31, 2021	**183.47**

Information regarding income and expenditure of Investment property:

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Rental income derived from investment property	16.85	17.82
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.97)	(1.04)
Profit arising from investment properties before depreciation and indirect expenses	15.88	16.78
Less – Depreciation	(3.57)	(4.39)
Profit arising from investment properties before indirect expenses	12.31	12.39

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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

As at March 31, 2022 and March 31, 2021, 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 2020	258.89
Fair value difference	-
Purchases	-
Closing balance as at March 31, 2021	**258.89**
Fair value difference	-
Purchases	-
Closing balance as at March 31, 2022	**258.89**

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. INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Management Contracts	Brand	Total	Goodwill
Cost					
As at April 1, 2020	955.98	1900	100	2,955.98	9,508.46
Additions	19.29	-	-	19.29	-
As at March 31, 2021	**975.28**	**1,900.00**	**100.00**	**2,975.27**	**9,508.46**
Additions	19.94			19.94	-
As at March 31, 2022	**995.22**	**1,900.00**	**100.00**	**2,995.20**	**9,508.46**
Amortisation and impairment					
As at April 1, 2020	434.71	89.79		524.50	-
Amortisation	155.54	332.56	10.00	498.10	0.02
As at March 31, 2021	**590.23**	**422.36**	**10.00**	**1,022.59**	**0.02**
Amortisation	130.95	361.91	10.00	502.86	0.01
As at March 31, 2022	**721.17**	**784.27**	**20.00**	**1,525.44**	**0.02**
Net Block					
As at March 31, 2022	**274.03**	**1,115.73**	**80.00**	**1,469.76**	**9,508.44**
As at March 31, 2021	**385.04**	**1,477.64**	**90.00**	**1,952.68**	**9,508.44**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Net book value	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Intangible assets	1,469.76	1,952.68

Notes

a) The Intangible assets are valued at cost.The Group has not revalued these assets during the year.

b) The Group has tested the Goodwill for impairment during the year (refer note 45).

6.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

Particulars	Total
Balance as at April 01, 2020	-
Additions during the year	-
Balance as at March 31, 2021	**-**
Additions during the year	227.91
Balance as at March 31, 2022	**227.91**

Note: Intangible assets under development consists of cost incurred on development of enabling assets- 330KA substation which has expected completion timeline of 2023-24.

7. RIGHT TO USE ASSET

(₹ in lakhs)

Particulars	Amount
Gross Carrying Amount (I)	
At April 1, 2020	68,814.84
Additions	95.26
Disposals	153.28
At March 31, 2021	**68,756.82**
Additions	-
Disposals	5,395.04
At March 31, 2022	**63,361.78**
Accumulated Depreciation (II)	
At April 1, 2020	15,460.09
Charge for the year	2,794.79
Disposals	102.19
At March 31, 2021	**18,152.69**
Charge for the year	2,819.63
Disposals	598.14
At March 31, 2022	**20,374.18**
III. Net Carrying amount(I-II)	
At March 31, 2022	**42,987.60**
At March 31, 2021	**50,604.13**

Notes:

a) The lease agreement for leasehold properties on which building is constructed is registerd in the name of the Group.

b) Right to Use assets are valued at cost.The Group has not revalued these assets during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

8 FINANCIAL ASSETS

(i) Investments

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Unquoted equity shares of associate companies (at cost)		
340,000 (March 31, 2021: 340,000) equity shares of Mind leaders Learning India Private Limited of Re.1 each fully paid.	366.46	262.40
Quoted investments at fair value through Profit & Loss		
Mutual funds		
5,584.704 (March 31, 2021: 5,584.704) Units of Reliance Low Duration Fund - Direct Growth Plan Growth option	94.29	91.12
12,053.579 units (March 31, 2021: Nil) of HDFC liquid fund - Direct Plan Growth Plan - Growth option	500.44	-
Other unquoted investments at fair value through Profit and Loss		
6,046 (March 31, 2021: 6,676) equity shares of SEP Energy Private Limited of Rs.10 each fully paid.	0.67	0.67
Nil (March 31, 2021: 9,126) equity shares of School of Hospitality India Private Limited of Rs.10 each fully paid.	-	200.04
	961.86	**554.23**
Aggregate book value of quoted investments	594.73	91.12
Aggregate market value of quoted investments	594.73	91.12
Aggregate book value of unquoted investments	367.13	463.11
Current	594.73	91.12
Non-Current	367.13	463.11
	961.86	**554.23**

(ii) Loans

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Unsecured, considered good		
Loans to employees at amortised cost	41.21	87.46
	41.21	**87.46**

(iii) Other non- current financial assets

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Unsecured, considered good		
Security deposits at amortised cost	6,642.09	5,839.14
Interest accrued on deposits with banks*	467.60	665.80
Fixed deposits under lien**	938.36	1,155.43
	8,048.05	7,660.37
Less Provision for doubtful assets	(462.26)	-
	7,585.79	**7,660.37**

* Interest Accrued on Fixed deposits under lien includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

** Fixed deposits under lien includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

9.1 DEFERRED TAX LIABILITY (NET)

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Property, plant and equipments and intangible assets	21,909.78	15,385.02
Revaluation of land	393.99	6,684.88
Deferred tax liability	**22,303.77**	**22,069.89**
Impact of expenditure charged to the statement of profit and loss in the current/ earlier year but allowable for tax purposes on payment basis	223.05	212.65
Right to use asset/lease liability	2,867.28	2,488.34
Provision for doubtful debts and advances	82.29	92.67
Provision for bonus	10.78	8.76
Effect of unabsorbed depreciation and business loss	16,911.81	16,330.70
Provision for gratuity	78.78	94.81
Provision for leave compensation	57.25	62.63
Loyalty program	6.24	4.99
Provision for litigation	21.44	18.82
Provision for slow moving inventory	10.33	10.33
Interest on Loan u/s 43B	1,660.13	1,658.60
Security deposits	216.45	215.55
Provision for contingency	29.58	25.94
Loan to employee recorded at amortized cost	6.91	13.62
Borrowings	83.37	29.91
Provision for expected credit losses	43.14	55.18
DTL on split accounting done for preference shares	3.84	3.84
MAT credit entitlement receivable	4,398.19	4,409.48
Deferred tax asset	**26,710.86**	**25,736.82**
Deferred tax (asset)/liability (net)	**(4,407.09)**	**(3,666.92)**
Deferred tax assets (net)	(4,607.62)	(4,036.49)
Deferred tax liability (net)	200.53	369.57

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year ended March 31, 2022 and March 31, 2021:

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Profit/(loss) before tax	(14,459.23)	(21,874.42)
Tax rate	29.12%	29.12%
Tax at statutory income tax rate	(3,974.52)	(6,052.80)
Effect of incomes taxable at nil/lower/MAT rate	78.14	86.57
Effect of non-deductible expenses	8.83	182.12
Income tax charge/ (credit) in respect of earlier year	54.28	(914.11)
Impact of change in tax rate	-	(204.59)
Unrecognized tax assets (net) and other adjustments	3,088.81	3,601.98
Other adjustments	21.40	80.58
Net	**(723.06)**	**(3,220.25)**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

9.2 NON-CURRENT TAX ASSETS (NET)

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Advance Income Tax (net of provision for taxation)	2,445.80	2,300.16
	2,445.80	**2,300.16**

10 OTHER NON-CURRENT ASSETS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Unsecured, considered good		
Capital advances	288.70	374.02
Balance with statutory/ government authorities	165.75	231.34
Prepaid expenses	116.98	119.91
Total	**571.43**	**725.27**

11 INVENTORIES

(valued at lower of cost and net realisable value, unless otherwise stated)

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Food and beverages (excluding liquor and wine)	141.44	120.96
Liquor and wine	124.92	130.32
Stores, cutlery, crockery, linen, provisions and others (valued at cost)	545.95	471.17
Total	**812.31**	**722.45**

Refer footnote to Note 19 for inventories pledged.

FINANCIAL ASSETS

12 (i) Trade receivables

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Trade receivable		
Unsecured, considered good	2,905.75	3,081.88
Trade Receivables which have significant increase in credit risk	1,686.92	1,644.83
	4,592.67	**4,726.71**
Impairment Allowance (Provision for expected credit loss)		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	1,686.92	1,644.83
	1,686.92	1,644.83
Total Trade receivables	**2,905.75**	**3,081.88**
Trade receivables from non related party	2,905.75	3,081.88
	2,905.75	**3,081.88**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

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, 2022

(₹ in Lakhs)

Particulars	Current but not Due	Outstanding for following periods from due date of payment					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	-	2361.15	516.22	24.2	4.18	-	**2,905.75**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	16.64	51.18	96.33	1522.77	-	**1,686.92**
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-

As at March 31, 2021

(₹ in Lakhs)

Particulars	Current but not Due	Outstanding for following periods from due date of payment					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	-	2,536.01	336.67	66.62	49.84	92.74	3,081.88
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	10.39	18.06	-	1,616.38	-	1,644.83
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

13(ii) CASH AND CASH EQUIVALENTS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Balance with banks		
On current accounts	3,184.34	2,333.22
Deposits with original maturity of 3 months or less	2,170.20	10,359.00
Cash on hand	74.07	53.50
	5,428.61	**12,745.72**

14(i) (iii) OTHER BANK BALANCES

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Other bank balances - fixed deposits	-	1,368.50
	-	**1,368.50**

14 (ii) (v) OTHER CURRENT-FINANCIAL ASSETS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Security deposits	186.72	274.64
Interest accrued on fixed deposits	51.00	140.38
	237.72	**415.02**

Break up of current financial assets carried at amortised cost

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Trade receivables	2,905.75	3,081.88
Cash and cash equivalents	5,428.61	12,745.72
Security deposits	186.72	274.64
Other bank balances	-	1,368.50
Advances recoverable	867.79	1,954.09
	9,388.86	**19,424.82**

15 OTHER CURRENT ASSETS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Advances recoverable		
- Employee advance	-	2.07
- Others, considered good	867.79	1,952.03
Unbilled revenue	135.73	94.78
Balance with statutory/ government authorities	1,361.18	1,765.40
Prepaid expenses	754.19	784.20
Total	**3,118.89**	**4,598.48**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

16 SHARE CAPITAL

Authorised Share Capital

Equity shares of ₹ 10 each

	Equity shares	
	No. of shares	₹ in lakhs
As at April 1, 2020	1,00,14,40,000	1,00,144.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	**1,00,14,40,000**	**1,00,144.00**
Increase/(decrease) during the year	-	-
As at March 31, 2022	**1,00,14,40,000**	**1,00,144.00**

	5% Redeemable Cumulative Preference Shares	
	No. of shares	₹ in lakhs
As at April 1, 2020	1,45,000	145.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	**1,45,000**	**145.00**
Increase/(decrease) during the year	-	
As at March 31, 2022	**1,45,000**	**145.00**

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.

Issued equity capital#

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	₹ in lakhs
As at April 1, 2020	79,03,14,473	79,031.44
Change in shares held by ESOP trust	1,07,000	10.70
As at March 31, 2021	**79,04,21,473**	**79,042.14**
Change in shares held by ESOP trust	3,91,900	39.19
As at March 31, 2022	**79,08,13,373**	**79,081.33**

excluding 14,33,091 equity shares (March 31, 2021: 18,24,991 shares) held by ESOP trust which has been consolidated in accordance with the requirement of IndAS 102. 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
As at April 1, 2020	79,22,46,464	79,224.64	19,31,991	193.20	79,03,14,473	79,031.44
Change in shares held by ESOP trust	-	-	(1,07,000)	(10.70)	1,07,000	10.70
As at March 31, 2021	**79,22,46,464**	**79,224.64**	**18,24,991**	**182.50**	**79,04,21,473**	**79,042.13**
Change in shares held by ESOP trust	-	-	(3,91,900)	(39.19)	3,91,900	39.19
As at March 31, 2022	**79,22,46,464**	**79,224.64**	**14,33,091**	**143.31**	**79,08,13,373**	**79,081.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(b) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% held*	No. of shares	% held*
Equity shares of ₹ 10 each fully paid up				
Spank Management Services Private Limited	17,94,44,863	22.65%	19,42,10,759	24.51%
APG Strategic Real Estate Pool N.V.	11,87,30,914	14.99%	11,87,30,914	14.99%
SBI Large and Midcap Fund	6,62,00,000	8.36%	6,67,12,790	8.42%
WF Asian Reconnaissance Fund Limited	5,53,83,349	6.99%	5,53,83,349	6.99%

* calculated on number of shares (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, 2022 No. of shares	March 31, 2021 No. of shares
(i) Equity shares allotted as fully paid bonus shares by capitalization of securities premium and capital redemption reserve	-	-

(ii) In addition, the Group has issued total 8,152,151 shares (March 31, 2021 : 11,024,053) 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, 2022

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	19,42,10,759	(1,47,65,896)	17,94,44,863	22.65%	-1.86%
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	-	3,74,908	0.05%	-
6	Ila Dubey	Promoter Group	29,44,292	(5,00,000)	24,44,292	0.31%	-0.06%
	Total		**20,50,04,803**	**(1,52,65,896)**	**18,97,38,907**	**23.95%**	

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

As at March 31, 2021

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	2,78,41,564	(2,75,00,000)	3,41,564	0.04%	-3.47%
2	Spank Management Services Private Limited	Promoter	20,77,10,759	(1,35,00,000)	19,42,10,759	24.51%	-1.70%
3	Toucan Real Estates Private Limited	Promoter Group	18,20,000	(14,70,000)	3,50,000	0.04%	-0.19%
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Lillette Dubey	Promoter Group	3,74,908	-	3,74,908	0.05%	-
6	Ila Dubey	Promoter Group	29,44,292	-	29,44,292	0.37%	-
	Total		**24,74,74,803**	**(4,24,70,000)**	**20,50,04,803**	**25.88%**	

17 OTHER EQUITY

Particulars	₹ in lakhs
Securities Premium	
As at April 1, 2020	10,394.51
Change in shares held by ESOP trust	12.31
As at March 31, 2021	**10,406.82**
Change in shares held by ESOP trust	45.07
As at March 31, 2022	**10,451.89**
Surplus in the Statement of Profit and Loss	
As at April 1, 2020	(16,822.88)
Loss for the year	(12,696.38)
As at March 31, 2021	**(29,519.26)**
Loss for the year	(8,760.19)
As at March 31, 2022	**(38,279.45)**
Other comprehensive income	
As at April 1, 2020	3.98
Decrease during the year	(22.20)
As at March 31, 2021	**(18.22)**
Increase during the year	42.97
As at March 31, 2022	**24.75**
Capital Reserve	
As at April 1, 2020	23,200.88
Add: Gain on disposal of subsidiary (Refer Note 45)	5,565.24
As at March 31, 2021	**28,766.12**
Add: Gain on disposal of subsidiary	-
As at March 31, 2022	**28,766.12**
General Reserve	
As at April 1, 2020	3,035.24
Increase/(decrease) during the year	-
As at March 31, 2021	**3,035.24**
Increase/(decrease) during the year	-
As at March 31, 2022	**3,035.24**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

Particulars	₹ in lakhs
Capital redemption reserve	
As at April 1, 2020	45.00
Increase/(decrease) during the year	-
As at March 31, 2021	**45.00**
Increase/(decrease) during the year	-
As at March 31, 2022	**45.00**

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Other reserves		
Securities Premium	10,451.89	10,406.82
Surplus in the Statement of Profit and Loss	(38,279.45)	(29,519.26)
Other comprehensive income	24.75	(18.22)
Capital Reserve	28,766.12	28,766.12
General Reserve	3,035.24	3,035.24
Capital redemption reserve	45.00	45.00
	4,043.55	**12,715.70**

Notes:

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.

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 period/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, 2022

18 NON-CONTROLLING INTEREST

	As at March 31, 2022 ₹ in lakhs
As at April 1, 2020	55,587.94
Comprehensive loss for the year	(5,957.79)
Movement during the year	12,108.84
As at March 31, 2021	**61,738.99**
Comprehensive loss for the year	(4,975.98)
Movement during the year	(0.00)
As at March 31, 2022	**56,763.00**

19 BORROWINGS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Non-current borrowings		
Term Loans		
Loans from Banks (Secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 to 11 below)	13,283.57	11,281.65
Indusind Bank Limited (Refer footnote 21 to 23 below)	4,949.93	5,059.31
Yes Bank Limited (Refer footnote 12 to 20 below)	44,990.83	46,983.60
HDFC Bank Limited (Refer footnote 40 to 51 below)	36,298.56	31,285.40
Vehicle loans (Refer footnote 53 below)	300.96	409.64
Axis Bank Limited (Refer footnote 24 to 33 below)	38,528.54	35,267.71
Tourism Finance Corporation of India Limited (Refer note 52 below)	-	406.55
Aditya Birla Finance Limited (Refer footnote 34 to 39 below)	16,996.38	20,657.28
Total non-current borrowings	**1,55,348.77**	**1,51,351.15**
Current borrowings		
Term Loans		
Current maturity of long term loans from banks (secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 to 11 below)	1,104.83	1,222.81
Indusind Bank Limited (Refer footnote 21 to 23 below)	112.50	75.00
Yes bank Limited (Refer footnote 12 to 20 below)	3,670.19	3,710.26
HDFC Bank Limited (Refer footnote 40 to 51 below)	4,880.18	3,465.72
Vehicle loans (Refer footnote 53 below)	182.15	199.54
Axis Bank Limited (Refer footnote 24 to 33 below)	1,020.16	2,306.15
Current maturity of loans from financial institutions		
Tourism Finance Corporation of India Limited (Refer note 52 below)	-	240.00
Total current maturity of loans	**10,970.01**	**11,219.48**
Less: Amount clubbed under "Short term borrowings" (refer note 22(i))	(10,970.01)	(11,219.48)
Net current borrowings	-	-

Notes to Consolidated financial statements

for the year ended March 31, 2022

Footnotes to Note 19 "Borrowings"

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Kotak Mahindra Bank Limited	1,633.00	-	7.95%	The loan is repayable in 60 quarterly installments. The loan was fully repaid during the year ended March 2022	The Term Loan was secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon. b) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge. c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.
2	Kotak Mahindra Bank Limited	431.00	-	7.95%	The loan is repayable in 60 montly installments. The loan was fully repaid during the year ended March 2021	
3	Kotak Mahindra Bank Limited	5,200.00	-	7.85%	The loan is repayable in 28 quarterly installments. The loan was fully repaid during the year ended March 2022	The Term Loan was secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's commercial space at Sector-60, Gurgaon. b) Minimum asset cover of 1.25x to be maintained throughout the tenor of bank's loan as per valuation accepted by bank. c) Subservient charge over all existing and future current assets of the borrower except current assets of the borrower's commercial space at Sector-60, Gurgaon on which bank has exclusive charge. d) Equitable Mortgage by way of exclusive charge on the on the proportionate share of land and building of commercial space of the borrower at Sector-60, Gurgaon. e) Exclusive charge over Moveable Fixed assets of commercial space at Sector-60, Gurgaon.
4	Kotak Mahindra Bank Limited	809.00	8.00%	8.00%	Loan shall be repaid by way of 48 monthly installments after moratorium period of 12 months from the date of first disbursement.	It is secured by second charge on security as under: (a) First and exclusive charge on all existing and future Current Assets of the Borrower. (b) First and exclusive charge on all existing and future Moveable Fixed Assets of the Borrower. (c) First and exclusive Equitable mortgage charge on immoveable properties being land and building situated at 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower.
5	Kotak Mahindra Bank Limited	809.00	7.45%	-	Loan shall be repaid by way of 48 monthly installments after moratorium period of 24 months from the date of first disbursement.	

Notes to Consolidated financial statements

for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
6	Kotak Mahindra Bank Limited	3,730.00	7.80%	7.95%	Loan shall be repaid by way of 120 equal monthly installments starting from month following the month of first disbursement of loan.	The loan is secured by: - First and exclusive charge on all existing and future current assets and moveable fixed assets of the company - First and exclusive equitable charge on immoveable properties being land and building situated at 54B/55A Hosur Main road Electronic city Phase 1 Bangalore Karnataka - Corporate guarantee of Fleur Hotels Pvt Ltd.
7	Kotak Mahindra Bank Limited	2,300.00	7.70%	7.80%		
8	Kotak Mahindra Bank Limited	6,000.00	7.70%	7.85%	The loan is repayable in 48 quarterly installments 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. - 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.
9	Kotak Mahindra Bank Limited	2,400.00	7.35%	-	The loan is repayable in 48 monthly installments starting from after 24 month of moratorium.	The loan is secured by second charge on: - 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
10	Kotak Mahindra Bank Limited	810.00	7.80%	7.85%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 12 months.	It is secured by second charge as under: (a) Exclusive hypothecation charge on all existing and future current assets of the Borrower's hotels located at Gurgaon (City Center New), Aurangabad, Indore and Sector 29, Gurgaon, Plot No. 287 – 289, Sector 29, Gurgaon and Part portion of ground floor and entire third floor of Block-A, commercial space at Sector 60, Gurgaon. (b) Equitable mortgage by way of exclusive charge on immoveable properties being land and building plot situated at Plot No. 287 – 289, Sector 29, Gurgaon. (c) Subservient hypothecation charge over all existing and future current assets of the Borrower except current assets of the Borrower's hotels located at Sector 29, Gurgaon, Gurgaon (City Center New), Aurangabad, Indore and commercial space at Sector 60, Gurgaon on which the Bank has exclusive charge. (d) Equitable mortgage by way of exclusive charge on the land and building of commercial space of the borrower at Part portion of ground floor and entire third floor of Block-A, Sector 60, Gurgaon. Minimum asset cover of 1.25x to be maintained throughout the tenor of bank's loan on immovable property as per valuation accepted by the bank. (e) Exclusive hypothecation charge over Moveable Fixed Assets of commercial space at Sector 60, Gurgaon. (f) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited.
11	Kotak Mahindra Bank Limited	810.00	7.45%	-	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	
12	Yes Bank Limited	4,500.00	8.15%	8.10%	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 (appox.). 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. *Minimum security cover of 1.5x on immoveable and moveable fixed assets of the project.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
13	Yes Bank Limited	2,500.00	8.15%	8.10%	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. *Minimum security cover of 1.5x on immoveable and moveable fixed assets of the project.
14	Yes Bank Limited	480.00	8.82%	-	The loan is repayable 36 monthly installment after a moratorium period of 12 months from the date of first disbursement.	It is Secured by:- (a) 100% credit guarantee by National Credit Guarantee trust Company Limited. (b) Second charge on all present and future immovable assets of the project owned by the borrower. (c) Second charge on all the present and future movable fixed assets of teh borrower and current assets including ESCROW account. (d) Minimum security cover of 1.5x on immovable and movable fixed assets of the company. (e) Escrow of all the receivables of the project including security deposits.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
15	Yes Bank Limited	20,500.00	8.10%	8.60%	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 beyon 30 days in the form of fixed deposits duly lien marked in favour of YBL.
16	Yes Bank Limited	12,500.00	8.15%	8.10%	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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
17	Yes Bank Limited	2,120.00	8.58%	-	The principal shall be repaid in 48 instalments after completion of moratorium of 1 year.	It is secured by: (a) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited. (b) Exclusive charge on Current Assets financed through the additional WCTL. (c) Second charge on the entire project land (Cochin) along with the structure built thereon. (d) Second charge on the all movable fixed assets and current assets (Present & future) of the Cochin Hotel Projects. (e) Second charge on the owned/freehold hotel properties and over the building and structure in respect of leasehold land for the operational hotels (excluding Vizag and Cochin). (f) Second charge by way of hypothecation of all the current assets and moveable fixed assets (both present and future) of BHPL (excluding Vizag and Cochin). (g) Second charge on the current assets (Present & future) of the Company (excluding project assets of Vizag Hotel). (h) Second Charge by way of pledge on 30% Shares of BHPL held by Fleur Hotels Pvt Ltd (FHPL).

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
18 19 20	Yes Bank Limited Yes Bank Limited Yes Bank Limited	2,387.00 6,107.00 1,182.00	9.14%	9.10%	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 BHPL (excluding Vizag and Cochin), c) First charge on the current assets(security pertains to overdraft facilty) (Present & future) of the Company (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 Irrecocable Corporate Guarantee of Fleur Hotels Private Limited (FHPL).
21	Indusind Bank Limited	3,381.00	8.19%	8.45%	The loan is repayable 48 structured quarterly installment	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 foxed assets of the project.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
22	Indusind Bank Limited	655.00	8.00%	8.00%	Principal is repayable in 36 equal installments on last day of the month after 12 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) at Lemon Tree Hotels in Whitefield, Bangalore.
23	Indusind Bank Limited	5,000.00	8.23%	8.55%	Tenor of 16 years with door door tenor facility shall not exceed 193 months from the date of first disbursement, including moratorium priod of nil months.	It is secured by: a) First charge on all presesnt 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 teh 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.
24	Axis Bank Limited	10,000.00	7.85%	7.90%	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 EM 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. Corporate Guarantee of Lemon Tree Hotels. FACR of 1.50x shall be maintained at all times. Any additional collateral security other than those mentioned herein above offered by the borrower to other lenders (in case of pari-passu charge) shall also be available to bank.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
25	Axis Bank Limited	16,248.00	7.75%	8.20%	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 the Company at Delhi Aerocity Hospitality District (Except Project Land). (b) A first pari passu charge on Company's all revenues and bank accounts of the Company, 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-2 is March 2024 & TL-3 loan of axis bank is April 2033.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
26	Axis Bank Limited	2,464.00	7.35%	8.40%	WCTL is repayable in 48 equal monthly instalments. Tenor of loan is 5years from the date of disbursement including 1 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/ assignmentof 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 documentor 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.
27	Axis Bank Limited	2,464.00	7.35%	-	WCTL is repayable in 48 equal monthly instalments. Tenor of loan is 6years from the date of disbursement including 2 year of moratorium.	
28	Axis Bank Limited	4,770.00	7.35%	-	The loan is repayable in 48 montly installments after a period of 2 years of Moratorium.	It is secured by second charge:- (a) EM 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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
29	Axis Bank Limited	9,500.00	8.10%	8.15%	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.
30	Axis Bank Limited	1,845.00	8.45%	8.45%	The Loan is repayable in 19 quarterly instalments. Repaid during the year	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 (developement 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 Substituition Agreement, on pari passu basis with other lenders.
31	Axis Bank Limited	1,770.00	8.25%	8.45%	The Loan is repayable in 19 quarterly instalments.	

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
32	Axis Bank Limited	648.00	7.75%	-	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 specefied current assets for securing working capital facilities and suject 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 (developement 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.
33	Axis Bank Limited	326.00	7.35%	-	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
34	Aditya Birla Finance Limited	11,500.00	8.50%	8.60%	Tenor of 12 years with repayament 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 disbursment.	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),
35	Aditya Birla Finance Limited	4,000.00				
36	Aditya Birla Finance Limited	884.00	8.80%	8.90%	The loan is repayable in 48 equal monthly installments after moratorium of 12 months from the date of 1st disbursement.	The facility is secured by: (a) Second charge on all moveable and immovable fixed assets of the Red Fox Hotel Hyderabad, both presesnt and future. (b) Second Pari-pasu charge on all current assets of the Red Fox Hotel, Hyderabad, both present & future.
37	Aditya Birla Finance Limited	4,500.00	8.80%	8.90%	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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
38	Aditya Birla Finance Limited	2,350.00	8.80%	8.90%	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
39	Aditya Birla Finance Limited	422.00	-	8.90%	The Loan is repayable in 36 equal monthly Installments payable after moratorium period of 12 months from the date of first disbursement. The loan was fully repaid during the year ended March 2022	It is secured by: (a) Second charge on all moveable and immovable fixed assets of Canary Hotels Private Limited both present and future. (b) Second pari-passu charge on all current assets of Canary Hotels Private Limited both present and future.
40	HDFC Bank Limited	2,100.00	8.10%	8.15%	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,comissions, 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
41	HDFC Bank Limited	4,200.00	8.10%	7.50%	Repayable in 48 monthly installments after moratorium of 12 months	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
42	HDFC Bank Limited	10,000.00	8.10%	8.15%	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, Ahemdabad - Hotel Lemon Tree, Chennai - Lemon Tree Premier, Bangalore

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
43	HDFC Bank Limited	11,100.00	7.70%	7.65%	The loan shalll 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, Ahemdabad, Hotel Lemon Tree, Chennai, Lemon Tree Premier, Bangalore.
44	HDFC Bank Limited	4,192.60	7.50%	-	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 colleteral 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, Ahemdabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore
45	HDFC Bank Limited	650.00	8.25%	8.25%	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. 100% Credit Guarantee from National Credit Guarantee Trustee Compant Limited.
46	HDFC Bank Limited	650.20	7.25%	-	The loan is repayable in 48 monthly installments after a moratorium of 24 months.	It is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of bank and security created over assets of the borrower purchased out of this facility.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
47	HDFC Bank Limited	4,300.00	8.05%	8.55%	The Loan is repayable in 28 quarterly installments.	It is secured by: - 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 Coporate Guarantee of Lemon Tree Hotels Limited. - Pledge of shares of SCPL held by Lemon Tree Hotels Limited.
48	HDFC Bank Limited	1,000.00	7.50%	7.50%	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 at Lemon Tree Hotel Gachibowli, Hyderabad.
49	HDFC Bank Limited	1,000.00	7.30%	-	The principal shall be repaid in 48 monthly instalments after completion of moratorium of 2 year.	It is secured by second charge over existing primary and collateral securities including mortgages created in favour of the bank and security created over the Assets of the borrower purchased out of this facility. (Lemon Tree Hotel Gachibowli, Hyderabad) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited.
50	HDFC Bank Limited	6,000.00	7.90%	8.40%	The Loan is repayable in 48 Structured Quarterly Installments	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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
51	HDFC Bank Limited	5,200.00	7.25%	-	The principal shall be repaid in 48 monthly instalments after completion of moratorium of 2 year.	It is secured by: (a) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited. (b) Extenstion 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 Hotel Gachibowli, Hyderabad
52	Tourisim Finance Corporation of India Ltd.	1,800.00	-	12.30%	The loan shalll be repaid in 30 quarterly installments as per the schedule. The loan was fully repaid during the year	It is secured by: a) First charge by way of mortgage of leasehold rights of plot of land admeasuring 2220.53 sqmtr. located at door no. 31-33-60 (New No. 31-32-60), Assessment No. 17016, Block No.36, T.S. No. 1176, Allipuram Ward, Saraswathi Park, Dabagardens, Vizag (Vishakhapatnam), Andhra Pradesh with all the building and structures thereon, both present and future, b) First charge by way of hypothecation in favor of the lenders of all the Borrower's moveables pertaining to its hotel (save and except book debts), including moveable machinery, machinery spares, tools & accessories, Recreational items/ Recreational realted items, Resorts equipments, Crockery, TVs/ VCRs/ VCPs/ DVDs and modern electricals and electronic appliances, Carpets, etc. present and future subject to prior charges created and / or to be created in favour of the Borrower's bankers on the Borrower's moveables, as may be agreed to by the Lenders to secure the borrowings for working capital requirements in the ordinary course of business.
53	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 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/ taken waiver for the 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, 2022

20 LEASE LIABILITY

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Balance at beginning of the year	47,419.56	46,265.62
Deletion during the year	4,555.31	56.65
Interest accrued during the year (refer note 29)	4,365.13	4,467.75
Payment of lease liabilities	4,297.77	3,257.16
Balance at end of the year	**42,931.62**	**47,419.56**
Current	458.13	712.28
Non-Current	42,473.49	46,707.29

21 PROVISIONS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Provision for gratuity (refer note 35)	**314.17**	**380.36**
Current	52.50	87.30
Non-current	261.67	293.06
Provision for leave benefits	**220.05**	**240.63**
Current	220.05	240.63
Non-current	-	-
Provision for litigations (refer note 36)	**179.96**	**157.86**
Current	179.96	157.86
Non-current	-	-
Provision for stamp duty (refer note 50)	**1,525.03**	**157.86**
Current	1,525.03	157.86
Non-current	-	-
Total current	**1,977.54**	**485.79**
Total non-current	**261.67**	**293.06**

22 FINANCIAL LIABILITIES

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(i) Short term borrowings		
Cash credit from banks (Secured) *	3,546.17	5,955.98
Current maturities of long-term borrowings (refer note 19)	10,970.01	11,219.48
	14,516.18	**17,175.46**

*Basis on several terms and conditions as specified in sanction letters, the Group submits quarterly returns/statements comprising of lease deposit schedules , cash flow mismatch statements and unaudited quarterly statements with banks/ financial institution and these returns/statements are in agreement with the books of accounts.

A The Cash credit facility and working capital loan from Kotak Mahindra Bank is repayable on demand and carries interest rate of 7.90% p.a. (March 31, 2021: 8.15% p.a.) and is secured by way of:

a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon.

b) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.

B The Cash credit facility and working capital loan from HDFC Bank Limited is repayable on demand and carries interest rate of 7.45% p.a. (March 31, 2021: 7.45%) 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.

C The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 8.15% to 9.15% (March 31, 2021: 8.05% to 9.65% 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

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

D The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 9.14% and is secured by way of:

a) First Charge on the current assets (Present & Future) of Berggruen Hotels Priavte Limited (excluding project assets of Vizag Hotel) to secure the working capital facility.

E The Cash credit facility and working capital loan from HDFC Bank Limited is repayable on demand and carries interest rate of 8.60% p.a. 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 Gaurantee of Lemon Tree Hotels Limited.

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(ii) Trade payables		
Trade Payables*		
- Micro and small enterprises	627.81	316.80
- Other than Micro and small enterprises	5,223.31	7,423.58
	5,851.12	**7,740.39**

*Trade payables ageing schedule based on the requirement of Schedule III

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

As at March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	627.81	-	-	-	627.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,896.67	2,366.40	102.26	335.29	522.69	5,223.31
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

As at March 31, 2021

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	316.80	-	-	-	316.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,807.98	3,431.50	2,184.10	-	-	7,423.58
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(iii) Other current financial liabilities		
Interest accrued but not due on borrowings	45.91	42.15
STP liability	235.00	235.00
EPCG liability	168.06	318.40
Book overdraft	74.07	390.50
Other payables		
- Payable for capital goods	49.63	846.49
- Sundry deposits	46.44	46.44
	619.11	**1,878.98**

23 OTHER CURRENT LIABILITIES

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Advance from customers	708.24	922.42
Deferred revenue- loyalty programme	21.44	17.15
Statutory dues (Provident fund, GST, TDS and other statutory dues)	1,179.24	701.71
	1,908.92	**1,641.28**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

24 REVENUE FROM OPERATIONS

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Revenue from operations		
Sale of products and services		
- Room rental	30,233.07	19,735.05
- Food and beverage (excluding liquor and wine)	5,148.68	3,086.58
- Liquor and wine	458.49	214.38
- Banquet rentals	201.09	92.61
- Telephone and telex	3.57	4.80
- Other Services (including service charge income)	2,420.92	1,270.62
Other Operating Revenue		
- Management fee	1,758.12	767.84
- Commission income	0.07	0.16
Revenue from operations	**40,224.01**	**25,172.04**

25 OTHER INCOME

		For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Waiver of rent		576.60	1,200.34
Gain on Termination of Lease	785.92		
Less: related provisions	(462.26)	323.67	-
Insurance claim received		-	4.62
Profit on sale of fixed assets		-	0.68
License fees received		0.00	0.00
Rent received		42.21	38.08
Excess provision/ credit balances written back		368.89	9.86
Exchange difference (net)		-	0.06
Miscellaneous income		91.62	72.24
		1,402.99	**1,325.88**

26 COST OF FOOD AND BEVERAGES CONSUMED

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
(a) Consumption of food and beverages excluding liquor and wine		
Inventory at the beginning of the year	120.96	207.77
Add: Purchases	2,667.31	1,627.63
	2,788.27	**1,835.40**
Less: Inventory at the end of the year	141.41	120.96
Cost of food and beverage consumed	**2,646.86**	**1,714.44**
(b) Consumption of liquor and wine		
Inventory at the beginning of the year	130.31	142.79
Add: Purchases	133.11	57.22
	263.42	**200.01**
Less: Inventory at the end of the year	124.92	130.32
Cost of liquor and wine consumed	**138.51**	**69.69**
	2,785.37	**1,784.13**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

27 EMPLOYEE BENEFIT EXPENSE

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Salaries, wages and bonus	8,701.16	6,248.42
Contribution to provident fund and other funds	562.92	507.62
Staff welfare expenses	467.56	282.98
Total	**9,731.64**	**7,039.02**

28(a) POWER AND FUEL

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Power and fuel	4,375.38	3274.25
	4,375.38	**3,274.25**

28(b) STAMP DUTY EXPENSES

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Stamp duty expenses	1,525.03	-
	1,525.03	**-**

28(c) OTHER EXPENSES

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	853.99	557.56
Lease rent	437.85	434.78
Equipment Hire Charges		
Linen & uniform washing and laundry expenses	382.79	175.65
Guest transportation	151.60	119.50
Spa expenses	50.44	3.70
Subscription charges	119.56	96.10
Repair and maintenance		
- Buildings	359.10	75.53
- Plant and machinery	962.69	586.41
- Others	465.05	240.51
Rates and taxes	1,677.88	1,381.93
Insurance	236.01	198.97
Communication costs	331.55	336.51
Printing and stationery	124.28	76.06
Traveling and conveyance	56.23	31.46
Vehicle running and maintenance	131.92	116.85
Advertisement and business promotion	94.27	70.97
Commission -other than sole selling agent	1,744.31	1,151.55
Security and cleaning expenses	506.11	325.94
Membership and subscriptions	29.19	45.89
Legal and professional fees	721.73	523.91
Advances written off	40.45	6.57
Freight and cartage	3.13	3.92
Corporate social responsibility*	43.79	93.85

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Loss on sale of property, plant and equipment (net)	18.92	-
Provision for doubtful debts	88.30	100.11
Payment to auditor (Refer note below)	123.06	115.00
Miscellaneous expenses	186.14	78.46
	9,940.34	**6,947.69**
Payment to auditor (excluding Goods and service tax)		
Audit fee	116.75	112.00
Tax audit fee	3.25	3.00
Other services	0.50	-
Reimbursement of expenses	2.56	-
	123.06	**115.00**

Details of CSR expenditure:	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
(a) Gross amount required to be spent by the Group during the year	43.76	92.77
(b) Amount spent during the year ended on March 31, 2022:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	43.79	-
(c) Amount spent during the year ended on March 31, 2021:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	92.85	-

The Group, 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

29 FINANCE COSTS

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Interest		
- on term loans from banks	12,235.33	12,743.62
- on loans from financial institutions	1,564.65	1,728.97
- on loans from others	13.80	331.14
- on vehicle loans	50.35	63.12
- on lease liability (refer note 20)	3,849.47	3,866.85
- on other credit facilities from banks	139.85	159.61
- on income tax	2.24	3.15
- on others	3.91	4.39
Bank charges (including commission on credit card collection)	234.10	144.87
	18,093.70	**19,045.72**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

30 FINANCE INCOME

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Profit on sale of investment	36.15	2.91
- Bank Deposits	349.18	589.21
- Others	263.80	183.82
Interest on income tax refund	43.61	97.38
Fair value profit on financial instruments at fair value through profit or loss	3.18	-
	695.92	**873.32**

31 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Depreciation on property, plant and equipment	8,034.05	8,384.24
Amortization of intangible assets	502.59	497.81
Amortisation of Right to use asset	1,897.65	1,872.81
Depreciation on investment properties	4.39	4.39
Depreciation capitalized	(3.93)	(3.93)
Total	**10,434.75**	**10,755.32**

32 EARNINGS PER SHARE (BASIC EPS AND DILUTED EPS)

Basic EPS amounts are calculated by dividing the (loss)/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.

The earnings and weighted average number of ordinary shares used in the calculation of Basic and Diluted EPS are as follows:

	March 31, 2022	March 31, 2021
Profit/(Loss) attributable to equity holders (for basic and diluted) (₹ In Lakhs)	(8,743.39)	(12,706.82)
Weighted average number of equity Shares (for basic and diluted earnings per share)*	79,06,17,960	78,98,06,418
Basic and Diluted loss per share	(1.11)	(1.61)

* 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.

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for the year ended March 31, 2022

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.

Estimation of Uncertainties related to global health pandemic on COVID-19

The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it. As the spread of the pandemic increased, entities are experiencing conditions often associated with a general economic downturn. In many countries, there has been severe disruption in regular business operations due to lockdown, travel bans, quarantines and other emergency measures. Currently there is a particularly high degree of uncertainty about the ultimate trajectory of the pandemic and the path and time needed for a return to a "steady state." The continuation of these circumstances could have a prolonged negative impact on the financial condition and results of operations.

For the year ended March 31, 2022, the Group has considered possible effects due to COVID 19 in its assessment of the going concern assumption and liquidity position for the next one year, recoverability of assets comprising Property, Plant and Equipment (PPE), Right-of-use (ROU) asset trade receivables and investment in subsidiaries and associates (investments) as at the balance sheet date.

The Management have assessed the effect of these macro-economic conditions into their estimates of future cash flows to determinine the values of the Group assets including investments and liabilities. The Management has carefully considered these unique circumstances and risk exposures when analyzing how recent events may affect their financial reporting to develop estimates considering all available relevant information.

Specifically for investments, the Management has considered the following in its evaluation:

- The industry in which the investee entity operates
- The geographic location of the investee entity
- The size of the investee entity
- The quantitative significance of the investee entity
- Other factors specific to the investee entity
- Liquidity risk premiums
- Appropriateness of valuation techniques and inputs used including current market assessment of credit risk and liquidity risk.

While assessing the recoverable amount of PPE, ROU asset and investments, the Group has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital. For assessing the recoverable amount of trade receivables, the Company has calculated the expected credit loss from the debtors considering amount to be realized from them in future after factoring the impact on credit risk due to COVID 19.

Management has also taken various cost savings initiatives during the months of April and May 2020, which will have a positive impact going forward. Management believes that the easing of lockdown in India including domestic flight operations and expected increase in business travel would be beneficial for the Company. Further, the Group also has undrawn lines of credit amounting to ₹ 5,939 lakhs as of date.

Notes to Consolidated Financial Statements
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Management believes that it has taken into account the possible impact of known events arising from COVID 19 pandemic in the preparation of theses financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict including the degree to which governments may further restrict business and other activities. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise. The management believes that it will not have negative impact on future cash flows and the financial position of the Company.

Based on a collective assessment of the above factors management believes that the Company will continue as a going concern for the next one year, has enough liquidity to meet its obligations and based on fair value assessment will be able to recover the carrying amount of its assets as on March 31, 2022.

Estimation of Uncertainties related to global health pandemic on COVID-19

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 Group 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, 2022	As at March 31, 2021
Discount Rate (pre tax rate of WACC)	11.70%-13.00%	12.00%
Long Term Growth Rate	5.00%	5.00%

As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the CGU.

b. *Impairment of Investment*

The Group assesses the carrying amounts of investment 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 Group 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:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate (pre tax rate of WACC)	11.70%-13.00%	12.00%
Long Term Growth Rate	5.00%	5.00%

As at March 31, 2022, the estimated recoverable amount of the investments exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the investments.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

c. 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.

d. 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. In calculating expected credit loss, the Group has also considered the likelihood of consequential default considering emerging situations due to COVID-19 and has taken into account estimates of possible effect from the pandemic relating to COVID-19. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2022 is considered adequate.

34. GROUP INFORMATION

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, 2022	March 31, 2021
1.	Carnation Hotels Private Limited	Hotel Business	India	74.90%	74.90%
2.	Fleur Hotels Private Limited*	Hotel Business	India	55.67%	54.69%
3.	Dandelion Hotels Private Limited	Hotel Business	India	100%	100%
4.	Lemon Tree Hotel Company Private Limited	Hotel Business	India	100%	100%
5.	PSK Resorts & Hotels Private Limited	Hotel Business	India	100%	100%
6.	Canary Hotels Private Limited	Hotel Business	India	100%	100%
7.	Grey Fox Project Management Company Private Limited	Project management services	India	100%	100%
8.	Oriole Dr Fresh Hotels Private Limited	Hotel Business	India	100%	100%
9.	Red Fox Hotel Company Private Limited	Hotel Business	India	100%	100%
11.	Sukhsagar Complexes Private Limited	Hotel Business	India	100%	100%
12.	Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Hotel Business	India	10%	10%
13.	Poplar Homestead Holdings Private Limited	Rental Housing	India	100%	100%
14.	Madder Stays Private Limited	Rental Housing	India	100%	100%
15.	Jessamine Stays Private Limited	Rental Housing	India	100%	100%
16.	Hamstede Living Private Limited (Subsidiary w.e.f 31st March 2021)	Rental Housing	India	100%	97.50%

b) Subsidiaries under Indirect Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of interest (Equity and CCPS)	
				March 31, 2022	March 31, 2021
1.	Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Hotel Business	India	90%	90%
2.	Celsia Hotels Private Limited * (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	55.67%	54.69%
3.	Inovoa Hotels & Resorts Limited* (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	55.67%	54.69%
4.	IORA Hotels Private Limited* (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	55.67%	54.69%
5.	Hyacinth Hotels Private Limited * (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	55.67%	54.69%
6.	Bandhav Resorts Private Limited * (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	55.67%	54.69%
7.	Ophrys Hotels Private Limited * (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	55.67%	54.69%
8.	Valerian Management Services Private Limited (Subsidiary of Grey Fox Project Management Company Private Limited)	Project Designing Services	India	100%	100%
9.	Berggruen Hotels Private Limited* (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	55.67%	54.69%

* Begonia Hotels Private Limited and Nightingale Hotels Private Limited (the Transferor Company) has been merged with Fleur Hotels Private Limited, scheme effective from March 31, 2021 and consequently effective percentage changed to 55.67% post allotment of shares to shareholders of Transferor company on April 20, 2021.

c) Associate

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of equity interest	
				March 31, 2022	March 31, 2021
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	% interest	
				March 31, 2022	March 31, 2021
1.	Mezereon Hotels LLP (Capital contribution by Fleur Hotels Private Limited & Celsia Hotels Private Limited)	Hotel Business	India	55.67%	54.69%

Notes to Consolidated Financial Statements
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(e) Statutory Group Information

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, 2022	19.00%	26,581.02	24.81%	(3,407.44)	10.71%	4.6	24.85%	(3,402.84)
Balance as at March 31, 2021	14.75%	22,647.45	27.82%	(5,189.98)	15.00%	(3.33)	27.81%	(5,193.31)
Subsidiaries								
1 Fleur Hotels Private Limited								
Balance as at March 31, 2022	(29.06%)	(40,647.23)	22.24%	(3,054.98)	14.24%	6.12	22.27%	(3,048.86)
Balance as at March 31, 2021	(15.93%)	(24,444.41)	26.55%	(4,953.40)	(9.28%)	2.06	26.51%	(4,951.34)
2 Celsia Hotels Private Limited								
Balance as at March 31, 2022	2.70%	3,773.15	(0.89%)	122.02	0.58%	0.25	(0.89%)	122.27
Balance as at March 31, 2021	2.57%	3,937.76	0.41%	(75.85)	(1.31%)	0.29	0.40%	(75.56)
3 Mezereon Hotels LLP								
Balance as at March 31, 2022	0.00%	0.74	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
Balance as at March 31, 2021	0.00%	0.8	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
4 Inovoa Hotels & Resorts Limited								
Balance as at March 31, 2022	1.40%	1,965.14	1.33%	(182.05)	2.07%	0.89	1.32%	(181.16)
Balance as at March 31, 2021	1.39%	2,130.39	0.97%	(180.92)	(1.26%)	0.28	0.97%	(180.64)
5 PSK Resorts & Hotels Private Limited								
Balance as at March 31, 2022	0.00%	1.12	0.00%	(0.54)	0.00%	-	0.00%	(0.54)
Balance as at March 31, 2021	0.00%	1.64	0.00%	(0.43)	0.00%	-	0.00%	(0.43)
6 Manakin Resorts Private Limited								
Balance as at March 31, 2022	0.60%	838.48	0.35%	(48.7)	(0.79%)	(0.34)	0.36%	(49.04)
Balance as at March 31, 2021	0.48%	736.05	0.12%	(21.49)	(18.33%)	4.07	0.09%	(17.42)
7 Canary Hotels Private Limited								
Balance as at March 31, 2022	2.26%	3,166.71	2.21%	(303.97)	(1.21%)	(0.52)	2.22%	(304.49)
Balance as at March 31, 2021	1.35%	2,077.70	1.48%	(275.87)	(1.26%)	0.28	1.48%	(275.59)

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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
8 Hyacinth Hotels Private Limited								
Balance as at March 31, 2022	3.71%	5,192.50	4.13%	(567.34)	(1.00%)	(0.43)	4.15%	(567.77)
Balance as at March 31, 2021	4.78%	7,343.52	5.29%	(986.61)	(0.14%)	(0.03)	5.28%	(986.64)
9 Sukhsagar Complexes Private Limited								
Balance as at March 31, 2022	0.83%	1,166.10	2.28%	(312.88)	0.16%	0.07	2.28%	(312.81)
Balance as at March 31, 2021	0.87%	1,330.29	1.40%	(260.95)	1.04%	(0.23)	1.40%	(261.18)
10 Oriole Dr Fresh Hotels Private Limited								
Balance as at March 31, 2022	0.21%	287.11	2.16%	(296.95)	1.65%	0.71	2.16%	(296.24)
Balance as at March 31, 2021	0.35%	532.32	1.77%	(330.81)	(1.13%)	0.25	1.77%	(330.56)
11 Dandelion Hotels Private Limited								
Balance as at March 31, 2022	(8.20%)	(11,465.08)	0.00%	(0.57)	0.00%	-	0.00%	(0.57)
Balance as at March 31, 2021	(7.47%)	(11,466.53)	0.00%	(0.44)	0.00%	-	0.00%	(0.44)
12 Carnation Hotels Private Limited								
Balance as at March 31, 2022	0.67%	940.97	(1.04%)	143.08	2.07%	0.89	(1.05%)	143.97
Balance as at March 31, 2021	0.52%	794.11	0.86%	(160.65)	(2.39%)	0.53	0.86%	(160.12)
13 Grey Fox Project Management Company Private Limited								
Balance as at March 31, 2022	(0.04%)	(55.86)	0.00%	(0.55)	0.14%	0.06	0.00%	(0.49)
Balance as at March 31, 2021	0.08%	124.39	0.00%	-	0.00%	-	0.00%	-
14 Red Fox Hotel Company Private Limited								
Balance as at March 31, 2022	0.00%	1.57	0.00%	(0.40)	0.00%	-	0.00%	(0.40)
Balance as at March 31, 2021	0.00%	(0.03)	0.00%	(0.39)	0.00%	-	0.00%	(0.39)
15 Lemon Tree Hotel Company Private Limited								
Balance as at March 31, 2022	0.00%	1.66	0.00%	(0.4)	0.00%	-	0.00%	(0.40)
Balance as at March 31, 2021	0.00%	0.05	0.00%	(0.29)	0.00%	-	0.00%	(0.29)
16 Valerian Management Services Private Limited								
Balance as at March 31, 2022	0.01%	7.98	0.03%	(3.8)	0.00%	-	0.03%	(3.80)
Balance as at March 31, 2021	0.01%	9.51	0.04%	(6.95)	0.00%	-	0.04%	(6.95)

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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
17	IORA Hotels Private Limited								
	Balance as at March 31, 2022	26.77%	37,454.97	0.33%	(45.77)	0.00%	-	0.33%	(45.77)
	Balance as at March 31, 2021	22.20%	34,069.34	0.16%	(29.23)	0.00%	-	0.16%	(29.23)
18	Ophrys Hotels Private Limited								
	Balance as at March 31, 2022	0.00%	2.23	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
	Balance as at March 31, 2021	0.00%	0.46	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
19	Bandhav Resorts Private Limited								
	Balance as at March 31, 2022	1.67%	2,340.89	(0.06%)	8.32	0.00%	-	(0.06%)	8.32
	Balance as at March 31, 2021	1.54%	2,359.02	0.00%	(0.38)	0.00%	-	0.00%	(0.38)
20	Madder Stays Private Limited								
	Balance as at March 31, 2022	0.00%	0.31	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
	Balance as at March 31, 2021	0.00%	0.42	0.00%	(0.28)	0.00%	-	0.00%	(0.28)
21	Poplar Homestead Holdings Private Limited								
	Balance as at March 31, 2022	0.00%	0.31	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
	Balance as at March 31, 2021	0.00%	0.41	0.00%	(0.28)	0.00%	-	0.00%	(0.28)
22	Jessamine Stays Private Limited								
	Balance as at March 31, 2022	0.00%	0.31	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
	Balance as at March 31, 2021	0.00%	0.42	0.00%	(0.28)	0.00%	-	0.00%	(0.28)
23	Bergrruen Hotels Private Limited								
	Balance as at March 31, 2022	36.66%	51,286.47	5.68%	(779.88)	32.30%	13.88	5.59%	(766.00)
	Balance as at March 31, 2021	32.07%	49,220.29	1.21%	(225.7)	71.80%	(15.94)	1.29%	(241.64)
24	Hamstede Living Private Limited								
	Balance as at March 31, 2022	0.20%	283.31	0.07%	(9.65)	0.00%	-	0.07%	(9.65)
	Balance as at March 31, 2021	0.23%	352.48	0.03%	(5.4)	0.00%	-	0.03%	(5.40)
	Non-controlling interests in all subsidiaries								
	Balance as at March 31, 2022	40.58%	56,763.00	36.35%	(4,992.78)	39.07%	16.79	36.34%	(4,975.99)
	Balance as at March 31, 2021	40.22%	61,738.98	31.88%	(5,947.35)	46.98%	(10.43)	31.90%	(5,957.78)
Total	**Balance as at March 31, 2022**	**100.00%**	**1,39,887.88**	**100.00%**	**(13,736.17)**	**100.00%**	**42.97**	**100.00%**	**(13,693.20)**
	Balance as at March 31, 2021	**100.00%**	**1,53,496.83**	**100.00%**	**(18,654.17)**	**100.00%**	**(22.20)**	**100.00%**	**(18,676.37)**

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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, 2022	March 31, 2021
Gratuity plan	314.17	380.36
Total	**314.17**	**380.36**

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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Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2022:

₹in lakhs

	Opening Balance		Cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2021	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 adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2022
Defined benefit obligation	614.99	-	58.19	29.03	87.20	(51.94)	-	-	(7.95)	(32.38)	(40.33)	-	609.94
Fair value of plan assets	234.63	-	-	10.45	10.45	(24.75)	6.00	-	-	-	-	69.44	295.77
Benefit liability	**380.36**	**-**	**58.19**	**18.58**	**76.75**	**(27.19)**	**(6.00)**	**-**	**(7.95)**	**(32.38)**	**(40.33)**	**(69.44)**	**314.17**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

₹in lakhs

	Opening Balance		Cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2020	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 adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2021
Defined benefit obligation	564.12	-	65.14	28.68	93.82	(71.59)	-	-	6.05	22.59	28.64	-	614.99
Fair value of plan assets	264.14	-	-	12.88	12.88	(45.76)	3.22	-	-	-	-	0.15	234.63
Benefit liability	**299.98**	**-**	**65.14**	**15.80**	**80.94**	**(25.83)**	**(3.22)**	**-**	**6.05**	**22.59**	**28.64**	**0.15**	**380.36**

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The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2022	March 31, 2021
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 Group's plans are shown below:

	March 31, 2022	March 31, 2021
Discount rate:	%	%
Pension plan	5.00% to 6.10%	5.30% to 7.00%
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, 2022 and March 31, 2021 is as shown below:

India gratuity plan:

₹ in lakhs

Assumptions	March 31, 2022			
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(11.93)	13.20	12.70	(12.10)

₹ in lakhs

Assumptions	March 31, 2021			
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(13.79)	14.79	14.64	(13.92)

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, 2022	For the year ended March 31, 2021
1	320.44	270.98
2	81.27	75.46
3	72.84	56.85
4	52.65	46.46
5	41.33	39.55
Above 5	125.78	106.82
Total expected payments	**694.31**	**596.12**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.23 years (March 31, 2021: 4.09 years).

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36. COMMITMENTS AND CONTINGENCIES

a. Leases

Operating lease commitments — Group 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%.

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 31,2022 ₹ 15,494.59 lakhs (March 31,2021 ₹ 8,483.89 lakhs)

c. Contingent liabilities

(i) Legal claim contingency

₹ in lakhs

	As at March 31, 2022	As at March 31, 2021
Counter Guarantees given in respect of guarantees issued by Company's bankers	1,394.54	1,936.73
Service tax	295.10	311.38
Luxury tax	42.45	42.45
VAT	5.02	12.92
Income Tax	-	7.19
Matters pending with consumer court	4.50	22.80
Total	**1,964.81**	**2,333.47**

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, GirdharilalManinar 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 and last listed on February 13, 2019 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 ₹ 102.80 lakhs 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 Oriole filed its statement of claims on November 8, 2012. Evidence concluded on November 30, 2017. Presently, the proceedings are at the final arguments stage. On March 13, 2020, the learned Arbitrator has directed to file the written synopsis and further, the matter is likely to be scheduled in due course. 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.

(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 whichsum 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

Notes to Consolidated Financial Statements
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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 Lease Deed 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 alongwith 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 to them alongwith 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 12th January 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, 2021:Nil) during the year on exercise of options granted under the employee stock option plan (ESOP).

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

38. RELATED PARTY TRANSACTIONS

Names of related parties	
Key Management Personnel	- Mr. Patanjali Govind Keswani (Chairman and Managing Director)
	- Mr. Rattan Keswani (Deputy Managing Director) (upto March 31, 2022)
	- Mr. Ravi Kant Jaipuria (Director) (upto March 23, 2021)
	- Mr. Anish Kumar Saraf (Director) (upto May 29, 2020)
	- Mr. Willem Albertus Hazeleger (Director)
	- Mr. Aditya Madhav Keswani (Director)
	- Mr. Pradeep Mathur (Independent Director)
	- Mr. Paramartha Saikia (Independent Director)
	- Ms. Freyan Jamshed Desai (Independent Director)
	- Mr. Ashish Kumar Guha (Independent Director)
	- Mr. Arindam Kumar Bhattacharya (Independent Director)
	- Mr. Arvind Singhania (Independent Director)
	- Mr. Niten Malhan (Independent Director) (w.e.f November 6, 2020)
Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	- Mr. Rattan Keswani (Whole Time Director of Carnation Hotels Private Limited)(upto March 31, 2022)
	- 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
	- Ms. Anshu Sarin (Whole Time Director & CEO of Berggruen Hotels Private Limited) (w.e.f. 13th February, 2020)
	- 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
Associate	- Mind Leaders Learning India Private Limited
	- Hamstede Living Private Limited (till March 30, 2021)

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

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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

₹ in lakhs

Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
Remuneration paid					
Mr. Patanjali Govind Keswani	31-Mar-22	185.96	-	-	-
	31-Mar-21	38.36	-	-	-
Mr. Rattan Keswani	31-Mar-22	-	169.60	-	-
	31-Mar-21	-	127.11	-	-
Mr. Sumant Jaidka	31-Mar-22	-	47.54	-	-
	31-Mar-21	-	30.32	-	-
Mr. Rajesh Kumar	31-Mar-22	-	40.11	-	-
	31-Mar-21	-	25.43	-	-
Ms. Natasha Yashpal	31-Mar-22	-	35.47	-	-
	31-Mar-21	-	19.94	-	-
Ms. Anshu Sarin	31-Mar-22	-	111.07	-	-
	31-Mar-21	-	91.48	-	-
Mr. Kapil Sharma	31-Mar-22	92.70	-	-	-
	31-Mar-21	75.80	-	-	-
Mr. Nikhil Sethi	31-Mar-22	34.86	-	-	-
	31-Mar-21	24.83	-	-	-
Reimbursement of Capital Expenditure					
Toucan Real Estate Private Limited	31-Mar-22	-	-	148.52	-
	31-Mar-21	-	-	8.32	-
Purchase of shares from					
Mr. Patanjali G. Keswani	31-Mar-22	-	-	-	-
	31-Mar-21	0.02	-	-	-
Toucan Real Estates Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	-	-	0.04	-
Sitting Fee paid					
Mr. Arvind Singhania	31-Mar-22	0.25	-	-	-
	31-Mar-21	0.75	-	-	-
Mr. Ashish Kumar Guha	31-Mar-22	1.25	1.15	-	-
	31-Mar-21	1.75	1.60	-	-
Ms. Freyan Jamshed Desai	31-Mar-22	2.00	-	-	-
	31-Mar-21	1.85	-	-	-
Mr. Niten Malhan	31-Mar-22	1.80	1.15	-	-
	31-Mar-21	0.80	0.35	-	-
Mr. Paramartha Saikia	31-Mar-22	1.75	1.00	-	-
	31-Mar-21	2.05	1.50	-	-
Mr. Pradeep Mathur	31-Mar-22	1.60	0.75	-	-
	31-Mar-21	2.05	1.40	-	-

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₹ in lakhs

Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
Rent Received					
Mind Leaders Learning India Private Limited	31-Mar-22	-	-	-	2.73
	31-Mar-21	-	-	-	-
Sale of Services					
Hamstede Living Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	-	-	-	0.02
Pelican Facilities Management Private Limited	31-Mar-22	-	-	-	1.69
	31-Mar-21	-	-	-	-
Training Fee Paid(Gross)					
Mind Leaders Learning India Private Limited	31-Mar-22	-	-	-	99.77
	31-Mar-21	-	-	-	80.30
Balances outstanding at the year-end - Trade Payable/Other Current Liabilities					
Mr. Kapil Sharma	31-Mar-22	0.09	-	-	-
	31-Mar-21	0.09	-	-	-
Mr. Rattan Keswani	31-Mar-22	-	-	-	-
	31-Mar-21	-	0.77	-	-
Mr. Sumant Jaidka	31-Mar-22	-	12.65	-	-
	31-Mar-21	-	8.40	-	-
Mind Leaders Learning India Private Limited	31-Mar-22	-	-	-	26.99
	31-Mar-21	-	-	-	33.82
Others	31-Mar-22	1.10	-	-	-
	31-Mar-21	1.08	-	-	-
Balances outstanding at the year-end – Loans & Advances					
Toucan Real Estate Private Limited	31-Mar-22	-	-	271.90	-
	31-Mar-21	-	-	351.29	-
Pelican Facilities Management Private Limited	31-Mar-22	-	-	-	1.55
	31-Mar-21	-	-	-	-

Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: 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

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a. Financial assets

₹ in lakhs

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	2,905.75	-	3,081.88
Investments	595.40	-	291.83	-
Security Deposits	-	6,828.81	-	6,113.77
Other bank balances (including fixed deposit under lien)	-	938.36	-	2,523.93
Cash and Cash Equivalents	-	5,428.61	-	12,745.72
Interest accrued on deposit with banks	-	518.60	-	806.18
Loans	-	41.21	-	87.46
Total Financial Assets	**595.40**	**16,661.34**	**291.83**	**25,358.94**

Note: The financial assets above do not include investments in associates which are measured at cost in accordance with Ind AS 27.

₹ in lakhs

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings	-	169,864.95	-	168,526.61
Trade Payables	-	5,851.12	-	7,740.39
Other Financial Liabilities	-	619.11	-	1,878.98
Lease Liabilities (Non-current)	-	42,473.49	-	46,707.29
Lease Liabilities (Current)	-	458.13	-	712.28
Total Financial Liabilities	**-**	**219,266.80**	**-**	**225,565.55**

b. 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.

Notes to Consolidated Financial Statements
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The following table provides the fair value measurement hierarchy of the Group’s assets and liabilities:

Financial assets and liabilities measured at fair value

₹ in lakhs

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Quoted mutual funds	594.73	-	-	594.73
Unquoted equity instruments	-	-	0.67	0.67

₹ in lakhs

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Quoted mutual funds	91.12	-	-	91.12
Unquoted equity instruments	-	-	200.71	200.71

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 net assets basis. 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.

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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, 2022	March 31, 2021
Variable rate borrowings	169,381.84	167,917.43
Fixed rate borrowings	483.11	609.19

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

	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2022		
Floating rate borrowing	50	(853.64)
Floating rate borrowing	-50	853.64
March 31, 2021		
Floating rate borrowing	50	(849.35)
Floating rate borrowing	-50	849.35

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.

Notes to Consolidated Financial Statements
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Trade Receivable As at March 31, 2022

₹ in lakhs

Ageing	Gross trade receivable	Expected credit loss	Net receivable
Not due	-	-	-
0-60 days past due	1,103.54	1.25	1,102.29
61-120 days past due	699.80	1.21	698.59
121-180 days past due	574.46	14.18	560.28
180-365 days past due	567.40	51.18	516.22
more than 365 days	1,647.47	1,619.10	28.37
TOTAL	**4,592.67**	**1,686.92**	**2,905.75**

Trade Receivable As at March 31, 2021

₹ in lakhs

Ageing	Gross trade receivable	Expected credit loss	Net receivable
Not due	-	-	-
0-60 days past due	1,815.60	2.16	1,813.44
61-120 days past due	301.66	2.06	299.6
121-180 days past due	262.67	6.17	256.5
180-365 days past due	336.44	18.06	318.38
more than 365 days	2,010.34	1,616.38	393.96
TOTAL	**4,726.71**	**1,644.83**	**3,081.88**

Reconciliation of provision for doubtful debts - Trade receivables (including provision for expected credit loss)

₹ in lakhs

	31-March-22	31-March-21
Provision as at beginning	1644.83	1548.69
Addition during the year	42.09	196.14
Reversal during the year	-	100.00
Utilized during the year	-	-
Provision as at closing	**1,686.92**	**1644.83**

Reconciliation of provision for doubtful debts - Loans and deposits

₹ in lakhs

	31-March-22	31-March-21
Provision at beginning	-	8.75
Addition during the year	-	-
Reversal during the year	-	8.75
Utilised during the year	-	-
Provision at closing	**-**	**-**

(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 2022 and March 31 2021 is the carrying amount as illustrated in Note 14(i).

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

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

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, 2022, the group had available ₹ 5,939 lakhs (March 31, 2021: ₹ 4,633 lakhs) of undrawn committed borrowing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ in lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2022						
Borrowings (other than lease liability)*	3,546.17	1,173.39	10,421.02	71,484.54	84,382.04	171,007.16
Trade and other payables	5,851.12	-	-	-	-	5,5851.12
Other Financial Liabilities	619.11	-	-	-	-	619.11
	9,781.16	**1,173.39**	**10,421.02**	**71,484.54**	**84,382.04**	**177,477.39**
Year ended March 31, 2021						
Borrowings (other than lease liability)*	5,955.98	1,605.93	9,563.50	61,087.79	91,682.41	169,895.61
Trade and other payables	7,740.38	-	-	-	-	7,740.38
Other Financial Liabilities	1,878.98	-	-	-	-	1,878.98
	16,199.40	**1,605.93**	**9,563.50**	**61,087.79**	**91,682.41**	**179,514.97**

* represents un-discounted cashflows

Future minimum rentals payable under non-cancellable operating leases as at year end are as follows:

₹ in lakhs

	As at March 31, 2022	As at March 31, 2021
Minimum Lease Payments :		
Not later than one year	3,838.52	4,084.04
Later than one year but not later than five years	16,992.29	17,879.41
Later than five years	91,454.64	108,959.25
Total	**112,285.45**	**130,922.70**

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.

₹ in lakhs

	March 31, 2022	March 31, 2021
Borrowings (Note 19 and 22)(Net of Processing Fee)	169,864.95	168,526.61
Trade payables (Note 22)	5,851.12	7,740.39
Less: cash and cash equivalents (Note 13)	5,428.61	12,745.72
Net debt	**170,287.46**	**163,521.28**
Total capital	139,887.88	153,496.83
Capital and net debt	310,175.34	317,018.11
Gearing ratio	**55%**	**52%**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

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 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, 2022 and March 31, 2021.

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. 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 is committed to take over the building at 'Book values', 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, 2021, the parent company had purchased additional 67.50% additional stake in Hamstede Living Private Limited (associate company upto March 30, 2021) and has achieved business combination in stages and accordingly remeasure its previously held equity interest on the acquisition date fair value and recognise the resulting gain of ₹ 199.28 lakhs in capital reserve in Other Equity.

(b) During the year ended March 31, 2021, Fleur Hotels Private Limited (Subsidiary Company) had issued and allotted 53,76,340 Compulsorily Convertible Preference Shares ("CCPS") to APG Strategic Real Estate Pool N.V ("Existing Shareholder") at an issue price of ₹ 325.50 per share (including premium of ₹ 315.50 per share) on June 22, 2020 at an aggregate consideration of ₹ 175 Crores. As a result of this the shareholding of M/s APG Strategic Real Estate Pool N.V. ('the investor') in Fleur Hotels Private Limited (along with its subsidiaries) had increased to 44.33% (on fully dilutive basis) from earlier 41.76%. In view of this, difference between the amount by which the non-controlling interests are adjusted and the consideration received, had been recognized in "Capital reserve" in Other equity of ₹ 5,365.96 lakhs as it attribute to the owners of the parent.

45. THE CARRYING AMOUNT OF GOODWILL HAS BEEN ALLOCATED TO CGU'S 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	2.61
Total	**9,508.44**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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 12% (2019-20: 12.5%) and terminal growth rate of 5% (2019-20: 5.5%).

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

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.

47. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006.

₹ in lakhs

	March 31, 2022	March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	627.81	316.80
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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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. Fleur Hotels Private Limited has 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. 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.

52. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification.

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

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, 2022, 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 then ended, and a summary of significant 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 report of the other auditor on separate financial statements of the Trust referred to in 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2022, and its loss, total comprehensive loss, 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 specified under section 143(10) of the Act (SAs). 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 auditor 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.

Emphasis of Matter

We draw attention to Note 29 of the standalone financial statements, which sets out the Company's assessment of financial impact on account of COVID 19 pandemic situation. Based on the assessments, the management has concluded that the Company will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2022.

Our opinion is not modified in respect of this matter.

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 and associates** **(Refer Note 29(b) to the Standalone Financial Statements)** At each reporting period, the Company assesses the carrying amounts of investment in subsidiaries and associates 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 and associates located in India amounting to INR 80,505.37 Lakhs as at March 31, 2022. The Company has undertaken an assessment of indicators of impairment in respect of the investment in subsidiaries and associates as mentioned in Note 8 of the standalone financial statements considering the qualitative factors such as current economic situation of the hospitality industry. To assess the recoverability of the investment in subsidiaries and associates, 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. Further, the Company has appointed independent valuer to calculate the fair value of certain hotels owned by these subsidiary Companies. 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.	**Principal audit procedures performed:** Obtained an understanding and assessed the Company's impairment process and tested the design and implementation of internal control established to the estimates and judgments for the carrying values of investment in subsidiaries and associates. Our audit procedures include challenging management on the appropriateness of the impairment models by performing the following: i) Assessed the reasonableness of the assumptions used to determine the fair value of investment in subsidiaries and associates, including discount rate and long term growth rate, using our valuation expertise; ii) Assessed the reliability of cash flow forecasts through a review of actual past performance; iii) Challenged the assumptions used in the cash flow forecasts, which includes occupancy rate, average room rate along with impact of COVID-19 on the same. To consider forecasting risk we also performed sensitivity analysis over these assumptions. We have tested the arithmetical accuracy of the impairment model. We have assessed the net worth of the subsidiaries and associates on the basis of latest available financial statements. 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. We have assessed the disclosures made by the Company in relation to this matter.
	Impairment assessment of hotel properties / Property, plant and Equipments **(Refer Note 29(a) to the Standalone Financial Statements)** At each reporting period, the Company assesses the carrying amounts of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the Company 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 Company 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:** Obtained an understanding of the Company's process for projecting the future cash flows and evaluated the significant assumptions used for determining the recoverable amount of CGU. 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. Our assessment included: i) Challenged Company's key market related assumptions used in the model including discount rate, long term growth rates against external data, using our valuation expertise; ii) Assessed the reliability of cash flow forecasts through a review of actual past performance; iii) Challenged the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate along with impact of COVID-19 on the same. To consider forecasting risk we also performed sensitivity analysis over these assumptions. We have used valuation specialist to assess the appropriateness of the weighted average cost of capital used in the determining recoverable amount. We have tested the arithmetical accuracy of the model and assessed the disclosures made by the Company in relation to this matter.

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.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. 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 statement 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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:

- 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 control 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 system 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 control 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 Matters

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 ₹ 373.31 lakhs as at March 31 2022 and total revenue of ₹ 0.06 Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements have been audited by other auditors whose reports 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 auditors.

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 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 and the reports of the other auditors.

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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

g) 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.

h) 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;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, 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 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 it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, 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 that has 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.

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)

Vijay Agarwal
(Partner)
Place: New Delhi (Membership No. 094468)
Date: May 27, 2022 (UDIN: 22094468AJSSQP3342)

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Lemon Tree Hotels Limited ("the Company") as of March 31, 2022 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 based on the internal control over financial reporting 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 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting 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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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)

Vijay Agarwal
(Partner)
(Membership No. 094468)
(UDIN: 22094468AJSSQP3342)

Place: New Delhi
Date: May 27, 2022

Annexure "B" to the Independent Auditor's Report

(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, investment properties and right-of-use assets 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 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 Kotak Mahindra Bank Limited, HDFC Bank Limited, 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 freehold land and building located at Ahmedabad admeasuring 2093 square yards whose title deeds are in name of the Muskan Properties Ltd. erstwhile companies that was merged with the Company under Section 394 of the Companies Act, 2013 in terms of the approval of the Delhi High Court.

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.

(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 2022 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 lease deposit schedule, 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.

(iii) The Company has made investments in and granted unsecured loans to wholly owned subsidiaries during the year, in respect of which:

a) The Company has provided loans during the year and details of which are given below:

Particulars	Loans (₹ in Lakhs)
A. Aggregate amount granted / provided during the year:	
- subsidiaries	1,964.03
- Others	-
B. Balance outstanding as at balance sheet date:	
- subsidiaries	489.09
- Others	41.21

b) According to the information and explanations given to us, the Company has, during the year, made investments in and granted interest free unsecured loans (refer reporting under clause (iii) (a) above and clause (iii)(f) below) to wholly owned 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 investments and loans granted, the terms and conditions are, in our opinion, prima facie, not prejudicial to the Company's interest after considering the purpose for which investments are made and loans have been granted.

c) The Company has granted loans to wholly owned subsidiaries 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 and advances in the nature of loans provided 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 ₹ 1,964.03 Lakhs during the year, 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 Section 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans, made investments or provided guarantee 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, Employees' State Insurance, Income-tax, Sales Tax, Service tax, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We are informed that the duty of Custom 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, 2022 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, 2022 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

(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) On the overall examination of financial statements of the Company, loans raised during the year have been utilised for payment of interest, repayment of short term borrowings and meeting working capital requirements as permitted by respective banks. 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).

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, been used for funding on losses incurred during the year.

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 making investments and/or granting loans to its wholly owned subsidiaries. (refer reporting under clause (iii) above).

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(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 and covering the period upto September 2021 and the draft of the internal audit reports where issued after the balance sheet date covering the period October 2021 to March 2022 for the period under audit.

(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.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.

(xvii) The Company has incurred any cash losses amounting to ₹ 157 Lakhs during the financial year covered by our audit and ₹ 2,544 Lakhs in 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)

Vijay Agarwal
(Partner)
Place: New Delhi (Membership No. 094468)
Date: May 27, 2022 (UDIN: 22094468AJSSQP3342)

Standalone Balance Sheet

as at March 31, 2022

Particulars	Note	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	39,487.86	40,390.69
(b) Capital work-in-progress	4	1,766.94	1,547.59
(c) Investment property	5	228.15	232.54
(d) Intangible assets	6	228.04	277.56
(e) Right of use asset	7	15,322.47	16,136.13
(f) Financial assets	8		
(i) Investments		80,505.37	79,278.35
(ii) Loans		41.21	87.56
(iii) Other non- current financial assets		1,922.77	2,113.84
(g) Deferred tax assets (net)	9.1	5,037.70	4,384.61
(h) Non-Current tax assets (net)	9.2	1,155.30	802.09
(i) Other non-current assets	10	112.29	121.18
		1,45,808.10	**1,45,372.14**
Current assets			
(a) Inventories	11	207.78	191.91
(b) Financial assets			
(i) Trade receivables	12	3,819.32	7,725.23
(ii) Cash and cash equivalents	12	1,566.64	3,641.12
(iii) Investments	8	500.44	-
(iv) Loans	12	489.09	122.61
(v) Other current financial assets	12	19.23	17.41
(c) Other current assets	13	1,695.70	2,793.60
		8,298.20	**14,491.88**
Total Assets		**1,54,106.30**	**1,59,864.02**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	79,081.33	79,042.14
(b) Other equity	15	19,725.69	21,281.80
Total Equity		**98,807.02**	**1,00,323.94**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	30,094.22	32,331.48
(ii) Lease liability	16 (a)	16,783.88	16,691.49
(b) Provisions	17	131.61	154.44
		47,009.71	**49,177.41**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	4,078.79	4,918.02
(ii) Lease liability	16 (a)	300.25	301.73
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		206.18	94.89
- total outstanding dues of creditors other than micro enterprises and small enterprises"		2,657.70	4,172.34
(iv) Other current financial liabilities	18	104.63	283.82
(b) Provisions	17	186.81	199.93
(c) Other current liabilities	19	755.21	391.94
		8,289.57	**10,362.67**
Total Liabilities		**55,299.28**	**59,540.08**
Total Equity and Liabilities		**1,54,106.30**	**1,59,864.02**
The accompanying notes are an integral part of the financial statements.	1 to 47		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

Place: New Delhi
Date : May 27, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

Particulars	Note	Year ended March 31, 2022 ₹ in lakhs	Year ended March 31, 2021 ₹ in lakhs
Revenue from operations	20	12,918.90	7,991.57
Other income	21	298.51	402.87
Total Income		**13,217.41**	**8,394.44**
Expenses			
Cost of food and beverages consumed	22	643.69	437.20
Employee benefits expense	23	3,768.07	2,534.18
Power and fuel	24(a)	1,295.16	951.24
Other expenses	24(b)	3,213.33	2,497.03
Total expenses		**8,920.25**	**6,419.65**
Profit before depreciation and amortization, finance cost, finance income,exceptional items and tax (EBITDA) (refer note 2.2 (s))		4,297.16	1,974.79
Finance costs	25	4,794.36	4,819.30
Finance income	26	(339.73)	(300.87)
Depreciation and amortization expense	27	2,103.29	2,251.03
Loss before exceptional items and tax		**(2,260.76)**	**(4,794.67)**
Exceptional item	45	-	592.07
Loss before tax		**(2,260.76)**	**(5,386.74)**
Tax expense:			
- Current tax		-	-
- Deferred tax			
- Deferred tax income related to current year	9.1	(654.98)	(1,313.67)
Loss for the year		**(1,605.78)**	**(4,073.07)**
Other comprehensive income/(loss)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement (losses)/gains on defined benefit plans		6.49	(4.70)
Income tax effect		(1.89)	1.37
		4.60	**(3.33)**
Total comprehensive Loss for the year		**(1,601.18)**	**(4,076.40)**
Loss per equity share (Face Value of ₹ 10/- each)			
(1) Basic	28	(0.20)	(0.52)
(2) Diluted	28	(0.20)	(0.52)
The accompanying notes are an integral part of the financial statements.	1 to 47		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
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Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

Place: New Delhi
Date : May 27, 2022

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

	No. of shares	Amount ₹ in lakhs
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2020	79,03,14,473	79,031.44
Change in shares held by ESOP trust (refer note 14)	1,07,000	10.70
At March 31, 2021	79,04,21,473	79,042.14
Change in shares held by ESOP trust (refer note 14)	3,91,900	39.19
At March 31, 2022	**79,08,13,372**	**79,081.33**

B. OTHER EQUITY

₹ in Lakhs

Particulars	Reserves and Surplus				Items of OCI	Total Equity
	Capital redemption reserve	Securities premium	General reserve	Surplus in the Statement of Profit and Loss	Remeasurement (losses)/gains on defined benefit plans	
Balance at April 1, 2020	45.00	10,394.51	3,035.24	11,861.73	9.41	25,345.89
Loss for the year	-	-	-	(4,073.07)	-	(4,073.07)
Other Comprehensive Income for the year	-	-	-	-	(3.33)	(3.33)
Impact of changes in shares held by ESOP trust (Refer Note 15)	-	12.31	-	-	-	12.31
Balance at March 31, 2021	**45.00**	**10,406.82**	**3,035.24**	**7,788.66**	**6.08**	**21,281.81**
Loss for the year	-	-	-	(1,605.78)	-	(1,605.78)
Other Comprehensive Income for the year	-	-	-	-	4.60	4.60
Impact of changes in shares held by ESOP trust (Refer Note 15)	-	45.07	-	-	-	45.07
Balance at March 31, 2022	**45.00**	**10,451.89**	**3,035.24**	**6,182.88**	**10.68**	**19,725.70**

The accompanying notes are an integral part of the financial statements. 1 to 47

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place: New Delhi
Date : May 27, 2022

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

Standalone Statement of Cash flow

for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
A. Cash flow from operating activities		
Loss before tax	(2,260.76)	(5,386.74)
Non-cash adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	2,103.29	2,251.03
Waiver of lease rent	(142.90)	(375.64)
Finance income (including fair value change in financial instruments)	(339.73)	(271.20)
Finance costs	4,728.84	4,772.33
Provision for gratuity	30.64	36.29
Provision for leave encashment	1.12	11.89
Provision for loyalty programme	4.29	1.36
Provision for impairment in the value of investment	-	592.07
Provision for litigation	9.01	9.01
Net loss/(gain) on sale of property plant and equipment	3.67	(0.68)
Net gain on sale of investments	(36.14)	(2.51)
Operating profit before working capital changes:	**4,101.33**	**1,637.21**
Movements in working capital:		
Decrease in trade receivables	3,905.91	253.99
Decrease/(Increase) in loans and advances and other current assets	1,103.37	(1,148.10)
(Increase)/Decrease in inventories	(15.87)	41.68
Decrease in liabilities and provisions	(1,259.25)	(506.28)
Cash Generated from Operations	**7,835.49**	**278.50**
(Direct taxes paid)/Refund(net)	(353.21)	222.95
Net cash flows generated from operating activities (A)	**7,482.28**	**501.45**
B. Cash flows (used in)/from investing activities		
Purchase of Property, plant and equipment (adjustment of CWIP, capital advances and capital creditors)	(628.04)	(236.41)
Proceeds from sale of property plant and equipment	38.37	563.21
Purchase of investment in subsidiary/associate company	(1,400.00)	(751.67)
(Purchase)/sale of current investments (net)	(500.44)	441.37
Short term loans (given)/repaid (to)/by subsidiaries	(366.48)	3,376.22
Net proceeds from maturity/liquidation of fixed deposits	115.84	-
Proceeds from sale of other non current investments	236.19	2.51
Interest received	435.09	181.29
Net Cash flow (used in)/ from investing activities (B)	**(2,069.47)**	**3,576.52**
C Cash flows used in financing activities		
Proceeds from issuance of share capital	84.26	23.00
Payment of lease liabilities	(1,341.12)	(1,060.08)
Proceeds from long term borrowings	5,329.00	6,534.62
Repayment of long term borrowings	(7,096.49)	(2,129.49)
Repayment of short term borrowings (net)	(1,362.77)	(3,107.40)
Interest paid	(3,100.17)	(1,885.33)
Net Cash flow used in financing activities (C)	**(7,487.29)**	**(1,624.68)**

Standalone Statement of Cash flow
for the year ended March 31, 2022

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Net increase in cash and cash equivalents (A + B + C)	(2,074.48)	2,453.29
Cash and cash equivalents at the beginning of the year	3,641.12	1,187.83
Cash and cash equivalents at the end of the year	**1,566.64**	**3,641.12**
Components of cash and cash equivalents (refer note 12)		
Cash on hand	17.88	11.77
Balances with scheduled banks in		
- Current accounts	988.76	279.35
- Deposits with original maturity of three months or less	560.00	3,350.00
Total cash and cash equivalents	**1,566.64**	**3,641.12**

The accompanying notes are an integral part of the financial statements. 1 to 47

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

Vijay Agarwal
Partner

Patanjali G. Keswani
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(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 27, 2022

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Notes to Standalone Financial Statements
for the year ended March 31, 2022

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 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 Lemon Tree Hotel, Lemon Tree Premier, Red Fox Hotel, Aurika, Keys Select, Keys Prima and Keys Lite.

The financial statements are approved for issue by the Board of directors on May 27, 2022.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT 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 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 financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, expect where otherwise indicated.

2.2 Significant 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

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Rupees (INR) has been rounded to the nearest of lakhs rupees, except where otherwise stated.

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.

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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, 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. 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. Difference of revenue over the billed as at the year-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

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for the year ended March 31, 2022

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 management services comprises fixed and variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised 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 period/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 subsidiaries and 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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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 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:

PPE	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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

(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 3 years and 10 years for Brand (Keys Hotels) 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 using deemed cost 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 the year. 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.

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(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:

(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 value less 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.

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(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.

(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

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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 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.

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. 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 at fair value through other comprehensive income (FVTOCI)
- 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 FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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 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) Financial assets that are debt instruments and are measured as at FVTOCI.

c) 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

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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 and loss

Financial Liabilities at fair value through Profit & 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.

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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 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 continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income, exceptional items 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:

Notes to Standalone Financial Statements
for the year ended March 31, 2022

- 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, 2022

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)												
Cost												
At April 1, 2020	10,513.42	17,409.99	11,967.38	4,859.64	1,839.32	1,092.84	78.47	2,579.33	313.62	195.83	606.86	51,456.70
Additions	-	-	-	41.65	8.98	15.82	-	19.22	-	1.84	66.72	154.23
Eliminated on Disposals	360.12	230.84	-	-	-	-	-	-	-	-	35.77	626.73
At March 31, 2021	**10,153.30**	**7,179.15**	**11,967.38**	**4,901.29**	**1,848.30**	**1,108.66**	**78.47**	**2,598.55**	**313.62**	**197.67**	**637.81**	**50,984.20**
Additions	-	-	-	35.83	62.30	71.24	5.63	37.86	2.08	25.90	123.98	364.82
Eliminated on Disposals	-	-	-	-	-	-	-	-	-	-	73.27	73.27
At March 31, 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**
Accumulated Depreciation (II)												
At April 1, 2020	-	1,404.09	1,382.32	2,083.37	1,302.11	642.80	71.19	1,721.69	284.37	151.67	222.81	9,266.42
Charge for the year	-	300.89	198.22	392.03	102.37	72.72	6.90	153.55	22.52	20.88	81.90	1,351.98
Eliminated on Disposals	-	13.14	-	-	-	-	-	-	-	-	11.75	24.89
At March 31, 2021	**-**	**1,691.84**	**1,580.54**	**2,475.40**	**1,404.48**	**715.52**	**78.09**	**1,875.24**	**306.89**	**172.55**	**292.96**	**10,593.51**
Charge for the year	-	297.24	198.22	350.95	90.72	59.10	5.19	130.98	0.12	11.89	81.21	1,225.62
Eliminated on Disposals	-	-	-	-	-	-	-	-	-	-	31.24	31.24
At March 31, 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**
III. Net Carrying amount(I-II)												
At March 31, 2022	**10,153.30**	**15,190.07**	**10,188.62**	**2,110.77**	**415.40**	**405.28**	**0.82**	**630.19**	**8.69**	**39.13**	**345.59**	**39,487.86**
At March 31, 2021	**10,153.30**	**15,487.31**	**10,386.84**	**2,425.89**	**443.82**	**393.14**	**0.38**	**723.31**	**6.73**	**25.12**	**344.85**	**40,390.69**

Notes

a) Title deeds for following immovable properties are submitted to lenders/custodian (on behalf of lenders):
  - Kotak Mahindra Bank- Lemon Tree Premier City Center, Gurgaon
  - 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 Estimation of uncertainities related to global health pandemic on COVID-19 and critical judgements, estimates and assumptions wrt Impairment of Property Plant & Equipment.

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

4. CAPITAL WORK-IN-PROGRESS

Hotel at Shimla

Particulars	Amount ₹ in lakhs
Hotel at Shimla	
Balance as at April 01, 2020	1,449.79
Additions during the year	97.80
Balance as at March 31, 2021	**1,547.59**
Additions during the year	219.35
Balance as at March 31, 2022	**1,766.94**

CWIP Ageing schedule

As at March 31, 2022

(₹ 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#	219.35	97.80	279.30	1,170.49	1,766.94
Total	**219.35**	**97.80**	**279.30**	**1,170.49**	**1,766.94**

As at March 31, 2021

(₹ 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#	97.80	279.30	413.56	756.93	1,547.59
Total	**97.80**	**279.30**	**413.56**	**756.93**	**1,547.59**

Represents hotel construction work in progress at Shimla, Project is expected to be completed in financial year 2024-25.

a) Refer Note 31 for information on contractual commitments for development of Shimla property.

5. INVESTMENT PROPERTY

Particulars	Total ₹ in lakhs
Gross Carrying Amount (I)	
At April 1, 2020	258.89
Additions	-
At March 31, 2021	**258.89**
Additions	-
At March 31, 2022	**258.89**
Accumulated Depreciation (II)	
At April 1, 2020	21.96
Charge for the year	4.39
At March 31, 2021	**26.35**
Charge for the year	4.39
At March 31, 2022	**30.74**
III. Net Carrying amount(I-II)	
At March 31, 2022	**228.15**
At March 31, 2021	**232.54**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Information regarding income and expenditure of Investment property:

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Rental income derived from investment property	16.85	17.82
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(1.00)	(1.04)
Profit arising from investment properties before depreciation and indirect expenses	15.85	16.78
Less – Depreciation	(4.39)	(4.39)
Profit arising from investment properties before indirect expenses	11.46	12.39

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, 2022 and March 31, 2021, 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 impairtment 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

6. INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Goodwill	Brand (Keys Hotels)	Total
Gross Carrying Amount (I)				
At April 1, 2020	494.58	2.63	100.00	597.21
Additions	17.15	-	-	17.15
At March 31, 2021	**511.73**	**2.63**	**100.00**	**614.36**
Additions	10.10	-	-	10.10
At March 31, 2022	**521.83**	**2.63**	**100.00**	**624.46**
Accumulated Depreciation (II)				
At April 1, 2020	245.21	-	-	245.21
Amortisation	81.59	-	10.00	91.59
At March 31, 2021	**326.80**	**-**	**10.00**	**336.80**
Amortisation	49.62	-	10.00	59.62
At March 31, 2022	**376.42**	**-**	**20.00**	**396.42**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Software	Goodwill	Brand (Keys Hotels)	Total
III. Net Carrying amount(I-II)				
At March 31, 2022	**145.41**	**2.63**	**80.00**	**228.04**
At March 31, 2021	**184.93**	**2.63**	**90.00**	**277.56**

Notes

a) The Intangible assets are valued at cost.The company has not revalued these assets during the year.

b) The Company has tested the Goodwill for impairment during the year.

7. RIGHT TO USE ASSET

(₹ in lakhs)

Particulars	Amount
Gross Carrying Amount (I)	
At April 1, 2020	23,868.20
Additions	95.25
At March 31, 2021	**23,963.45**
Additions	-
At March 31, 2022	**23,963.45**
Accumulated Depreciation (II)	
At April 1, 2020	7,024.25
Amortisation	803.07
At March 31, 2021	**7,827.32**
Amortisation	813.66
At March 31, 2022	**8,640.98**
III. Net Carrying amount (I-II)	
At March 31, 2022	**15,322.47**
At March 31, 2021	**16,136.13**

Notes:

a) The lease agreement for leasehold properties is registerd in the name of the company.

b) Right to Use assets are valued at cost.The company has not revalued these assets during the year.

8. FINANCIAL ASSETS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(i) Investments		
Investments at cost		
Unquoted equity shares of subsidiary companies at cost		
49,494,240 (Previous year 43,311,609) equity shares of Fleur Hotels Private Limited of ₹ 10 each fully paid.***	62,957.93	62,957.93
11,869,100 (Previous year 11,869,100) Equity shares of PSK Resorts & Hotels Private Limited of ₹ 1 each fully paid	2,691.12	2,691.12
500,945,400 (Previous year 360,945,400) Equity shares of Canary Hotels Private Limited of ₹ 1 each fully paid.	6,774.28	5,374.28
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
571,428 (Previous year 571,428) Equity shares of Manakin Resorts Private Limited of ₹ 10 each fully paid.	390.69	390.69
3,700,000 (Previous year 3,700,000) Equity shares of Oriole Dr Fresh Hotels Private Limited of ₹ 10 each fully paid.	2,643.97	2,643.97
700,000 (Previous year 700,000) Equity shares of Carnation Hotels Private Limited of ₹ 1 each fully paid.	7.00	7.00
45,500,668 (Previous year 45,500,668) Equity shares of Grey Fox Project Management Company Private Limited of ₹ 1 each fully paid.	455.01	455.01
115,000 (Previous year 115,000) Equity shares of Dandelion Hotels Private Limited of ₹ 1 each fully paid.	160.54	160.54
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 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 Jessamine Stays Private Limited of ₹ 10 each fully paid.	1.00	1.00
29,500,000 (Previous year 28,762,500) 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 (Refer note 45)	(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
Unquoted compulsory redeemable preference shares of subsidiary company at fair value through Profit and loss		
350,000 (Previous year 350,000) 5% Redeemable Non Cumulative Preference shares of Carnation Hotels Private Limited of ₹ 100 each fully paid.*	266.24	239.18
Deemed investment (equity portion) on account of interest free loan to subsidiaries (Repaid)		
Dandelion Hotels Private Limited	4.85	4.85
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
Canary Hotels Private Limited	22.99	22.99
Carnation Hotels Private Limited	224.30	224.30
Grey Fox Project Management Company Private Limited	84.25	84.25
Quoted mutual funds at fair value through profit and loss		
12,053.579 units (Previous Year: Nil) of HDFC liquid fund - Direct Plan Growth Plan - Growth option	500.44	-
Unquoted equity shares of companies other than subsidiary and associate companies at fair value through profit and loss		
1,937 (Previous Year: 2,567) equity shares of SEP Energy Private Limited of ₹ 10 each fully paid.	0.26	0.26
Nil (Previous Year : 9,126) equity shares of School of Hospitality India Private Limited of ₹ 10 each fully paid.	-	200.04
	81,005.81	**79,278.35**
Aggregate book value of unquoted investments	80,505.37	79,278.35
Aggregate amount of impairment in value of investments	592.07	592.07
Aggregate book value of quoted investments	500.44	-
Aggregate market value of quoted investments	500.44	-
Current	500.44	-
Non-Current	80,505.37	79,278.35
Total	**81,005.81**	**79,278.35**

*The preference shares will be redeemed either at the option of the Company or at the option of the subsidiary at any-time after the expiry of one year or before expiry of ten years.

^Investment in equity shares of Sukhsagar Complexes Private Limited (SCPL) has been pledged for term loan taken by the SCPL.

** The preference share holder had the right to voluntarily convert such CCPS at any-time before the expiry of such period & same is excersied by Company on March 10, 2021.

***During the previous year ended March 31, 2021, Nightingale Hotels Private Limited & Begonia Hotels Private Limited has been merged with Fleur Hotels Private Limited with appointed date from 01 April 2019 and scheme was effective from March 31, 2021. Fleur Hotels Private Limited has made allotment of 6,182,631 equity shares on April 20, 2021 as per swap ratio mentioned in the scheme.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(ii) Loans		
(unsecured considered good unless otherwise stated)		
Loans to employees at amortised cost	41.21	87.56
	41.21	**87.56**

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(iii) Other financial assets (unsecured, considered good)		
Security deposits	1,732.90	1,580.93
Interest accrued on deposits with banks*	76.55	200.78
Interest accrued on loan given to related party	0.88	103.85
Fixed deposits under lien**	112.44	228.28
	1,922.77	**2,113.84**

* Interest Accrued on Fixed deposits under lien includes deposits lien marked with banks against guarantees issued in favour of various Government departments.
** Fixed deposits under lien 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, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Property, plant and equipment and intangible assets	4,190.83	3,994.52
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	0.13	-
Deferred tax liability	4,190.95	3,994.52
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	153.75	156.91
Effect of unabsorbed depreciation and business loss (refer note below)	3,130.70	2,437.09
Lease liability	1,803.46	1,619.61
Gratuity	42.97	54.27
Leave compensation	28.32	30.11
Loyalty program	6.24	4.99
Provision for contingency	21.44	18.82
Provision for slow moving inventory	8.81	8.81
Interest on Loan u/s 43B	334.91	371.82
Security deposits	610.39	585.96
Loan to employee	6.91	13.62
Borrowings	44.71	29.05
Provision for doubtful debts and advances	43.14	55.17
Deferred tax asset	**6,235.75**	**5,386.23**
A. Deferred tax asset (net)	2,044.80	1,391.71
B. MAT crdit entitlement	2,992.90	2,992.90
Net deferred tax asset (net)	**5,037.70**	**4,384.61**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year March 31, 2022 and March 31, 2021:

₹ in lakhs

	March 31, 2022	March 31, 2021
Loss before tax	(2,260.76)	(5,386.74)
Tax rate	29.12%	29.12%
Tax at statutory income tax rate	(658.33)	(1,568.62)
Effect of incomes taxable at nil/lower/MAT rate	(2.37)	(2.10)
Effect of non-deductible expenses	5.72	176.47
Income Considered for tax purposes on purchase of shares	-	80.58
Net	**(654.97)**	**(1,313.67)**

Note: As on March 31, 2022, the Company has unabsorved tax losses of ₹ 3,591.35 Lakhs (with expiry in assessment years 2015-26 to 2030-31) and unabsorbed depreciation of ₹ 9,201.72 Lakhs with no expiry on which the Company recognized deferred tax asset. It is considered probable by the management that there will be fuchers taxable profite available and which such deferred tax assets can be realized.

9.2 NON-CURRENT TAX ASSETS (NET)

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Advance Income Tax (net of provision for taxation)	1,155.30	802.09
	1,155.30	**802.09**

10. OTHER NON-CURRENT ASSETS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Unsecured, considered good		
Capital advances	0.48	1.27
Prepaid expenses	111.81	119.91
Total	**112.29**	**121.18**

11. INVENTORIES

(valued at lower of cost and net realisable value, unless otherwise stated)

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Food and beverages (excluding liquor and wine)	30.32	32.35
Liquor and wine	27.36	27.76
Stores, cutlery, crockery, linen, provisions and others (valued at cost)	150.10	131.80
Total	**207.78**	**191.91**

Refer footnote to Note 16 for inventories pledged

Notes to Standalone Financial Statements
for the year ended March 31, 2022

12. FINANCIAL ASSETS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(i) Trade receivables*#		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	3,819.32	7,725.23
Trade Receivables which have significant increase in credit risk	146.32	187.64
	3,965.64	**7,912.87**
Impairment Allowance (provision for expected credit loss)		
Unsecured, considered good	-	
Trade Receivables which have significant increase in credit risk	146.32	187.64
	146.32	**187.64**
Total	**3,819.32**	**7,725.23**
Trade receivables from non related parties	688.04	612.70
Tarde receivables from related parties(Refer Note 33)	3131.28	7,112.53
	3,819.32	**7,725.23**

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

As at March 31, 2022

(₹ in lakhs)

Particulars	Current but not Due	Outstanding for following periods from due date of payment					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	-	3,392.27	416.15	7.04	3.86	-	3,819.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1.09	0.29	3.19	141.75	-	146.32
(iii) Undisputed Trade Receivables – credit impaired	-	`	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2022

As at March 31, 2021

(₹ in lakhs)

Particulars	Current but not Due	Outstanding for following periods from due date of payment					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	-	1,858.17	2,676.04	1,550.40	1,548.84	91.78	7,725.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.91	0.78	28.28	157.67	-	187.64
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(ii) Cash and cash equivalents		
Balance with banks		
On current accounts	988.76	279.35
Deposits with original maturity of 3 months or less	560.00	3,350.00
Cash on hand	17.88	11.77
Total	**1,566.64**	**3,641.12**

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(iv) Loans		
Unsecured, considered good		
Loans and advances to subsidiaries*#	489.09	122.61
*read with note number 33		
Total	**489.09**	**122.61**

 # 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, 2022		March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Loan to Related parties (Subsidiary)	489.09	100%	122.61	100%
Total	**489.09**		**122.61**	

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(v) Other financial assets		
Security deposits	0.68	0.68
Interest accrued but not due	18.55	16.73
Total	**19.23**	**17.41**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Break up of current financial assets carried at amortised cost

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Trade receivables	3,819.32	7,725.23
Cash and cash equivalents	1,566.64	3,641.12
Security deposits	0.68	0.68
Interest accrued but not due	18.55	16.73
Loans and advances to subsidiaries	489.09	122.61
Total	**5,894.28**	**11,506.37**

13. OTHER CURRENT ASSETS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Advances recoverable	356.69	619.56
Unbilled revenue	604.50	1,426.82
Balance with statutory/ government authorities	447.76	417.55
Prepaid expenses	286.75	329.67
Total	**1,695.70**	**2,793.60**

14. SHARE CAPITAL

Authorised Share Capital
(Equity shares of ₹ 10 each)

	Equity shares	
	No. of shares	₹ in lakhs
At April 1, 2020	1,00,14,40,000	1,00,144.00
Increase/(decrease) during the year	-	-
At March 31, 2021	**1,00,14,40,000**	**1,00,144.00**
Increase/(decrease) during the year	-	-
At March 31, 2022	**1,00,14,40,000**	**1,00,144.00**

Issued equity capital#

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of shares	₹ in lakhs
At April 1, 2020	79,03,14,473	79,031.44
Change in shares held by ESOP trust	1,07,000	10.70
At March 31, 2021	**79,04,21,473**	**79,042.14**
Change in shares held by ESOP trust	3,91,900	39.19
At March 31, 2022	**79,08,13,372**	**79,081.33**

excluding 14,33,092 equity shares (March 31, 2021: 18,24,991 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, 2020	79,22,46,464	79,224.64	19,31,991	193.20	79,03,14,473	79,031.44
Change in shares held by ESOP trust	-	-	(1,07,000)	(10.70)	1,07,000	10.70
At March 31, 2021	**79,22,46,464**	**79,224.64**	**18,24,991**	**182.50**	**79,04,21,473**	**79,042.14**
Change in shares held by ESOP trust	-	-	(3,91,900)	(39.19)	3,91,900	39.19
At March 31, 2022	**79,22,46,464**	**79,224.64**	**14,33,092**	**143.31**	**79,08,13,372**	**79,081.33**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% held as at March 31, 2022*	No. of shares	% held as at March 31, 2021*
Equity shares of ₹ 10 each fully paid up				
Spank Management Services Private Limited	17,94,44,863	22.65%	19,42,10,759	24.51%
APG Strategic Real Estate Pool N.V.	11,87,30,914	14.99%	11,87,30,914	14.99%
SBI Large and Midcap Fund	6,62,00,000	8.36%	6,67,12,790	8.42%
WF Asian Reconnaissance Fund Limited	5,53,83,349	6.99%	5,53,83,349	6.99%

* Calculated on number of shares (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, 2022 No. of shares	March 31, 2021 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 81,52,151 shares (March 31, 2021 : 1,10,24,053) 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, 2022

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	19,42,10,759	(1,47,65,896)	17,94,44,863	22.65%	-1.86%
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	-	3,74,908	0.05%	-
6	Ila Dubey	Promoter Group	29,44,292	(5,00,000)	24,44,292	0.31%	-0.06%
	Total		**20,50,04,803**	**(1,52,65,896)**	**18,97,38,907**	**23.95%**	

Notes to Standalone Financial Statements
for the year ended March 31, 2022

As at March 31, 2021

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	2,78,41,564	(2,75,00,000)	3,41,564	0.04%	-3.47%
2	Spank Management Services Private Limited	Promoter	20,77,10,759	(1,35,00,000)	19,42,10,759	24.51%	-1.70%
3	Toucan Real Estates Private Limited	Promoter	18,20,000	(14,70,000)	3,50,000	0.04%	-0.19%
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Lillette Dubey	Promoter Group	3,74,908	-	3,74,908	0.05%	-
6	Ila Dubey	Promoter Group	29,44,292	-	29,44,292	0.37%	-
	Total		**24,74,74,803**	**(4,24,70,000)**	**20,50,04,803**	**25.88%**	

15. OTHER EQUITY

Particulars	₹ in lakhs
Securities premium	
At April 1, 2020	10,394.51
Change in shares held by ESOP trust	12.31
At March 31, 2021	**10,406.82**
Change in shares held by ESOP trust	45.07
At March 31, 2022	**10,451.89**
Surplus in the Statement of Profit and Loss	
At April 1, 2020	11,861.73
Loss for the year	(4,073.07)
At March 31, 2021	**7,788.66**
Loss for the year	(1,605.78)
At March 31, 2022	**6,182.88**
Other comprehensive income	
At April 1, 2020	9.41
Decrease during the year	(3.33)
At March 31, 2021	**6.08**
Increase during the year	4.60
At March 31, 2022	**10.68**
General reserve	
At April 1, 2020	3,035.24
Increase/(decrease) during the year	-
At March 31, 2021	**3,035.24**
Increase/(decrease) during the year	-
At March 31, 2022	**3,035.24**
Capital redemption reserve	
At April 1, 2020	45.00
Increase/(decrease) during the year	-
At March 31, 2021	**45.00**
Increase/(decrease) during the year	-
At March 31, 2022	**45.00**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Other equity		
Securities premium	10,451.89	10,406.82
Surplus in the Statement of Profit and Loss	6,182.88	7,788.66
Other comprehensive income	10.68	6.08
General reserve	3,035.24	3,035.24
Capital redemption reserve	45.00	45.00
Total	**19,725.69**	**21,281.80**

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 period/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.

16. BORROWINGS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Non-current borrowings		
Term Loans		
Loans from Banks (Secured)		
Kotak Mahindra Bank Limited (Refer footnote 1, 2, 3, 4 and 5 below)	1,417.50	1,410.56
Axis Bank Limited (Refer footnote 6, 7, 8 and 9 below)	961.83	2,783.53
HDFC Bank Limited (Refer footnote 12, 13, 14, 15 and 16 below)	23,349.44	22,766.35
Vehicle loans (Refer footnote 17 below)	152.86	184.28
Loans from financial institutions (secured)		
Aditya Birla Finance Limited (Refer footnote 10 & 11 below)	4,212.59	5,186.76
Total non-current borrowings	**30,094.22**	**32,331.48**
Current maturity of long term loans (secured)		
Kotak Mahindra Bank Limited (Refer footnote 1, 2, 3, 4 and 5 below)	202.50	384.38
Axis Bank Limited (Refer footnote 6, 7, 8 and 9 below)	162.00	800.29
HDFC Bank Limited (Refer footnote 12, 13, 14, 15 and 16 below)	3,619.51	2,271.11
Vehicle loans (Refer footnote 17 below)	94.60	99.29
Total current maturity of loans	**4,078.61**	**3,555.07**
Less: Amount clubbed under "Short term borrowings" (Refer note 18(i))	(4,078.61)	(3,555.07)
Net current borrowings	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Footnotes to Note 16 "Borrowings"

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Kotak Mahindra Bank Limited	1,633.00	-	7.95%	The loan is repayable in 60 quarterly installments. The loan was fully repaid during the year ended March 2022	The Term Loan was secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon. b) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge. c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.
2	Kotak Mahindra Bank Limited	431.00	-	7.95%	The loan is repayable in 60 montly installments. The loan was fully repaid during the year ended March 2021	
3	Kotak Mahindra Bank Limited	5,200.00	-	7.85%	The loan is repayable in 28 quarterly installments. The loan was fully repaid during the year ended March 2022	The Term Loan was secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's commercial space at Sector-60, Gurgaon. b) Minimum asset cover of 1.25x to be maintained throughout the tenor of bank's loan as per valuation accepted by bank. c) Subservient charge over all existing and future current assets of the borrower except current assets of the borrower's commercial space at Sector-60, Gurgaon on which bank has exclusive charge. d) Equitable Mortgage by way of exclusive charge on the on the proportionate share of land and building of commercial space of the borrower at Sector-60, Gurgaon. e) Exclusive charge over Moveable Fixed assets of commercial space at Sector-60, Gurgaon."

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
4	Kotak Mahindra Bank Limited	810.00	7.80%	7.85%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 12 months.	it is secured by second charge as under: (a) Exclusive hypothecation charge on all existing and future current assets of the Borrower's hotels located at Gurgaon (City Center New), Aurangabad, Indore and Sector 29, Gurgaon, Plot No. 287 – 289, Sector 29, Gurgaon and Part portion of ground floor and entire third floor of Block-A, commercial space at Sector 60, Gurgaon. (b) Equitable mortgage by way of exclusive charge on immoveable properties being land and building plot situated at Plot No. 287 – 289, Sector 29, Gurgaon. (c) Subservient hypothecation charge over all existing and future current assets of the Borrower except current assets of the Borrower's hotels located at Sector 29, Gurgaon, Gurgaon (City Center New), Aurangabad, Indore and commercial space at Sector 60, Gurgaon on which the Bank has exclusive charge. (d) Equitable mortgage by way of exclusive charge on the land and building of commercial space of the borrower at Part portion of ground floor and entire third floor of Block-A, Sector 60, Gurgaon. Minimum asset cover of 1.25x to be maintained throughout the tenor of bank's loan on immovable property as per valuation accepted by the bank. (e) Exclusive hypothecation charge over Moveable Fixed Assets of commercial space at Sector 60, Gurgaon. (f) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited.
5	Kotak Mahindra Bank Limited	810.00	7.45%	-	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
6	Axis Bank Limited	1,845.00	8.45%	8.45%	The Loan is repayable in 19 quarterly instalments. Repaid during the year	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 (developement 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 Substituition Agreement, on pari passu basis with other lenders.
7	Axis Bank Limited	1,770.00	8.25%	8.45%	The Loan is repayable in 19 quarterly instalments.	

Notes to Standalone Financial Statements
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Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
8	Axis Bank Limited	648.00	7.75%	-	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 specefied current assets for securing working capital facilities and suject 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 (developement 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.
9	Axis Bank Limited	326.00	7.35%	-	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
10	Aditya Birla Finance Limited	884.00	8.80%	8.90%	The loan is repayable in 48 equal monthly installments after moratorium of 12 months from the date of 1st disbursement.	The facility is secured by: (a) Second charge on all moveable and immovable fixed assets of the Red Fox Hotel Hyderabad, both presesnt and future. (b) Second Pari-pasu charge on all current assets of the Red Fox Hotel, Hyderabad, both present & future. "
11	Aditya Birla Finance Limited	4,500.00	8.80%	8.90%	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
12	HDFC Bank Limited	2,100.00	8.10%	8.15%	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,comissions, 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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
13	HDFC Bank Limited	4,200.00	8.10%	7.50%	Repayable in 48 monthly installments after moratorium of 12 months	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
14	HDFC Bank Limited	10,000.00	8.10%	8.15%	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, Ahemdabad - Hotel Lemon Tree, Chennai - Lemon Tree Premier, Bangalore
15	HDFC Bank Limited	11,100.00	7.70%	7.65%	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, Ahemdabad, Hotel Lemon Tree, Chennai, Lemon Tree Premier, Bangalore.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2022	Carrying rate of Interest as at March 31, 2021	Repayment/ Modification of terms	Security/ Principal terms and conditions
16	HDFC Bank Limited	4,192.60	7.50%	-	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 colleteral 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, Ahemdabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore
17	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/ taken waiver for the 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. Company has utilized funds from its internal accruals for making investment in subsidiary/ loan to subsidiary.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

16 (a). Lease liabilities

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Balance at beginning of the year	16,993.22	16,652.48
Interest accrued during the year (refer note 25)	1,574.90	1,562.96
Payment of lease liabilities	1,483.99	1,222.22
Balance at end of the year	**17,084.13**	**16,993.22**
Current	300.25	301.73
Non-Current	16,783.88	16,691.49

17. PROVISIONS

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Provision for gratuity (Refer note 30)	**147.57**	**186.36**
Current	15.96	31.92
Non-current	131.61	154.44
Provision for compensated absences	**97.24**	**103.40**
Current	97.24	103.40
Non-current	-	-
Provision for litigations (Refer note 31)	**73.63**	**64.61**
Current	73.63	64.61
Non-current	-	-
Total current	**186.81**	**199.93**
Total non-current	**131.61**	**154.44**

18. FINANCIAL LIABILITIES

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(i) Short term borrowings		
Cash credit from banks (Secured)	0.18	1,362.95
Current maturities of long-term borrowings (refer note 16)	4,078.61	3,555.07
	4,078.79	**4,918.02**

A The Cash credit facility and working capital loan from Kotak Mahindra Bank was repayable on demand and carries interest rate of 7.90% (March 31, 2021: 8.15% p.a.) and is secured by way of:

a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon.

b) Subservient charge over all existing and future current assets of the Company except current assets of the Company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge.

c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.

B The Cash credit facility and working capital loan from HDFC Bank Limited was repayable on demand and carries interest rate of 7.45% p.a. (March 31, 2021: 7.45%) and is secured by way of:

a) First Exclusive charge by way of equitable mortgage on Select properties.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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, Ahmedabad
- Hotel Lemon Tree, Chennai
- Lemon Tree Premier, Bangalore
- Lemon Tree Premier, Chandigarh

c) Basis on several terms and conditions as specified in sanction letters, the company submits quarterly returns/statements comprising of lease deposit schedules , cash flow mismatch statements and unaudited quarterly statements with banks/ financial institution and these returns/statements are in agreement with the books of accounts.

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(iii) Trade payables		
Trade Payables*#		
- Micro and small enterprises	206.18	94.89
- Other than Micro, small and medium enterprises	2,657.70	4,172.34
*read with note number 43		
	2,863.88	4,267.23
Trade payables	2,851.98	3,206.11
Trade payables to related parties	11.90	1,061.12
	2,863.88	**4,267.23**

#Trade payables ageing schedule based on the requirement of Schedule III

As at March 31, 2022

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	206.18	-	-	-	206.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	771.23	903.39	293.72	329.30	360.06	2,657.70
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, 2022

As at March 31, 2021

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	94.89	-	-	-	94.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	696.60	1,238.99	236.77	1,059.33	940.65	4,172.34
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(iv) Other financial liabilities		
Interest accrued but not due on borrowings	25.19	22.27
Book overdraft	30.25	177.79
Other payables		
- Payable for capital goods	49.19	83.76
Total	**104.63**	**283.82**

19. OTHER CURRENT LIABILITIES

	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Advance from customers	215.32	135.81
Deferred revenue- loyalty programme	21.44	17.15
Statutory dues (Provident fund, GST, TDS and other statutory dues)	518.45	238.98
Total	**755.21**	**391.94**

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Revenue from operations		
Sale of products and services		
- Room rental	8,208.89	5,012.34
- Food and beverage (excluding liquor and wine)	1,044.15	560.19
- Liquor and wine	86.62	52.13
- Banquet rentals	38.62	31.43
- Telephone and telex	3.05	3.11
- Other Services (including service charge income)	653.91	289.90
Other Operating Revenue		
- Management fee	2,883.66	2,042.47
Revenue from operations	**12,918.90**	**7,991.57**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

21. OTHER INCOME

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Rent received	27.15	24.04
Profit on sale of shares/investment	36.14	2.51
Waiver of lease rental	142.90	375.64
Insurance claim received	10.16	-
Sundry balances written back	82.16	-
Profit on sale of Property, plant and equipment	-	0.68
Total	**298.51**	**402.87**

22. COST OF FOOD AND BEVERAGES CONSUMED

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
(a) Consumption of food and beverages excluding liquor and wine		
Inventory at the beginning of the year	32.35	54.87
Add: Purchases	614.35	389.46
	646.70	**444.33**
Less: Inventory at the end of the year	30.32	32.35
Cost of food and beverage consumed	**616.38**	**411.98**
(b) Consumption of liquor and wine		
Inventory at the beginning of the year	27.76	37.15
Add: Purchases	26.91	15.83
	54.67	**52.98**
Less: Inventory at the end of the year	27.36	27.76
Cost of liquor and wine consumed	**27.31**	**25.22**
Total (a+b)	**643.69**	**437.20**

23. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Salaries, wages and bonus	3,398.10	2,219.19
Contribution to provident fund and other funds	206.85	174.45
Gratuity expense	37.13	36.48
Leave compensation expenses	1.12	23.43
Staff welfare expenses	124.87	80.63
Total	**3,768.07**	**2,534.18**

24(a). POWER AND FUEL

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Power and fuel	1,295.16	951.24
Total	**1,295.16**	**951.24**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

24(b). OTHER EXPENSES

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	344.69	196.38
Guest transportation	59.07	48.31
Spa expenses	1.80	0.00
Subscription charges	38.86	32.26
Repair and maintenance		
- Buildings	127.05	19.73
- Plant and machinery	366.54	221.47
- Others	79.33	41.46
Rent (refer note 31(a))	297.09	277.78
License fees	-	5.70
Rates and taxes	372.09	334.81
Insurance	72.53	68.60
Communication costs	165.92	169.38
Printing and stationery	43.19	21.96
Traveling and conveyance	12.10	6.25
Vehicle running and maintenance	73.54	72.71
Advertisement and business promotion	40.87	26.43
Architect and design fee	-	172.13
Commission -other than sole selling agent	406.73	232.28
Security and cleaning expenses	212.53	118.84
Membership and subscriptions	18.22	27.69
Legal and professional fees	327.27	242.73
Freight and cartage	2.71	3.44
Corporate social responsibility*	32.70	73.85
Loss on sale of property, plant and equipment	3.66	-
Payment to auditor (Refer note below)	80.06	72.00
Miscellaneous expenses	34.78	10.84
Total	**3,213.33**	**2,497.03**
Payment to auditor (excluding Goods and service tax)		
for statutory audit fees	41.00	41.00
for limited review	35.00	30.00
for tax audit	1.00	1.00
for other services	0.50	-
Out of pocket expenses	2.56	-
	80.06	**72.00**

***Details of CSR expenditure:**	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
(a) Gross amount required to be spent by the Company during the year	32.69	73.84
(b) Amount spent during the year ended on March 31, 2022:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	32.70	-
(c) Amount spent during the year ended on March 31, 2021:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	73.85	

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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

25. FINANCE COSTS

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Interest		
- on term loans from banks	2,460.19	2,828.65
- on loans from others	426.57	330.07
- on vehicle loans	28.34	26.55
- on other credit facilities from banks	238.84	24.09
- on lease liability (refer note 16(a))	1,574.90	1,562.96
- on income tax	2.24	2.98
Bank charges (including commission on credit card collection)	63.28	44.00
Total	**4,794.36**	**4,819.30**

26. FINANCE INCOME

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Interest Income from financial assets at amortised cost :		
- Bank deposits	123.31	100.07
- Interest others	216.42	146.82
Interest on income tax refund	-	53.98
Total	**339.73**	**300.87**

27. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Depreciation on tangible assets	1,225.62	1,351.98
Amortization on intangible assets	59.62	91.59
Depreciation on investment properties	4.39	4.39
Depreciation on right to use asset	813.66	803.07
Total	**2,103.29**	**2,251.03**

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity holders (for basic and diluted) (₹ in lakhs)	(1,605.78)	(4,073.07)
Weighted Average Number of Equity Shares (for basic and diluted)*	79,06,17,960	79,03,68,120
Basic and Diluted EPS	(0.20)	(0.52)

* 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.

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.

Estimation of Uncertainties related to global health pandemic on COVID-19

The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it. As the spread of the pandemic increased, entities are experiencing conditions often associated with a general economic downturn. In many countries, there has been severe disruption in regular business operations due to lockdown, travel bans, quarantines and other emergency measures. Currently there is a particularly high degree of uncertainty about the ultimate trajectory of the pandemic and the path and time needed for a return to a "steady state." The continuation of these circumstances could have a prolonged negative impact on the financial condition and results of operations.

For the year ended March 31, 2022. the Company has considered possible effects due to COVID 19 in its assessment of the going concern assumption and liquidity position for the next one year, recoverability of assets comprising Property, Plant and Equipment (PPE), Right of use asset, trade receivables and investment in subsidiaries and associates (investments) as at the balance sheet date.

The Management have assessed the effect of these macro-economic conditions into their estimates of future cash flows to determine the values of the Company's assets including investments and liabilities. The Management has carefully considered these unique circumstances and risk exposures when analyzing how recent events may affect their financial reporting to develop estimates considering all available relevant information.

Specifically for investments, the Management has considered the following in its evaluation:

- The industry in which the investee entity operates
- The geographic location of the investee entity
- The size of the investee entity
- The quantitative significance of the investee entity

Notes to Standalone Financial Statements
for the year ended March 31, 2022

- Other factors specific to the investee entity
- Liquidity risk premiums
- Appropriateness of valuation techniques and inputs used including current market assessment of credit risk and liquidity risk.

While assessing the recoverable amount of PPE and investments, the Company has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital. For assessing the recoverable amount of trade receivables, the Company has calculated the expected credit loss from the debtors considering amount to be realized from them in future after factoring the impact on credit risk due to COVID 19.

Management believes that it has taken into account the possible impact of known events arising from COVID 19 pandemic in the preparation of theses financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict including the degree to which governments may further restrict business and other activities. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise. The management believes that it will not have negative impact on future cash flows and the financial position of the Company.

Based on a collective assessment of the above factors management believes that the Company will continue as a going concern for the next one year, has enough liquidity to meet its obligations and based on fair value assessment will be able to recover the carrying amount of its assets as on March 31, 2022.

Estimation of Uncertainties related to global health pandemic on COVID-19

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, 2022	As at March 31, 2021
Discount Rate *(pre tax rate of WACC)*	12.00%	12.00%
Long Term Growth Rate	5.00%	5.00%

As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the CGU.

b. Impairment of Investment in subsidiaries and associates

The Company assesses the carrying amounts of investment in subsidiaries and associates 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:

Particulars	As at March 31, 2022	As at March 31, 2022
Discount Rate *(pre tax rate of WACC)*	12.00%	12.00%
Long Term Growth Rate	5.00%	5.00%

As at March 31, 2022, the estimated recoverable amount of the investments exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the investments.

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. In calculating expected credit loss, the Company has also considered the likelihood of consequential default considering emerging situations due to COVID-19 and has taken into account estimates of possible effect from the pandemic relating to COVID-19. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2022 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, 2022	March 31, 2021
Gratuity plan	147.57	186.36
Total	**147.57**	**186.36**

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.

Notes to Standalone Financial Statements
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- 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, 2022

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2022:

₹in lakhs

	Opening Balance	Cost charged to statement of profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2021	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	Contributions by employer	March 31, 2022
Defined benefit obligation	385.87	29.21	16.40	45.61	(23.50)	-	-	(4.54)	4.10	(0.44)	-	407.54
Fair value of plan assets	199.51	-	8.48	8.48	(23.50)	6.04	-	-	-	6.05	69.43	259.97
Benefit liability	**186.36**	**29.21**	**7.92**	**37.13**	**-**	**(6.04)**	**-**	**(4.54)**	**4.10**	**(6.49)**	**(69.43)**	**147.57**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

₹in lakhs

	Opening Balance	Cost charged to statement of profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2020	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	Contributions by employer	March 31, 2021
Defined benefit obligation	339.43	29.21	16.97	46.18	(7.42)	-	-	4.50	3.18	7.68	-	385.87
Fair value of plan assets	194.07	-	9.70	9.70	(7.24)	2.98	-	-	-	(2.98)	-	199.51
Benefit liability	**145.36**	**29.21**	**7.27**	**36.48**	**(0.18)**	**(2.98)**	**-**	**4.50**	**3.18**	**(4.70)**	**-**	**186.36**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2022	March 31, 2021
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, 2022	March 31, 2021
Discount rate:		
Pension plan	5.00%	4.25%
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, 2022 is as shown below:

India gratuity plan:

₹ in lakhs

Assumptions	March 31, 2022			
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(5.72)	6.11	6.05	(5.77)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

₹ in lakhs

Assumptions	March 31, 2021			
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(5.95)	6.38	6.27	(5.97)

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, 2022	For the year ended March 31, 2021
1	270.51	249.30
2	39.94	36.29
3	34.78	30.12
4	24.98	25.99
5	19.37	18.96
Above 5	53.31	45.59
Total expected payments	**442.89**	**406.25**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 years (March 31, 2021: 1.75 years).

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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%

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, 2022 is ₹ 459.06 lakhs (March 31, 2021 ₹ 280.69 lakhs).

c. Contingent liabilities

Legal claim contingency

	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Counter guarantees issued in respect of guarantees issued by Company's bankers	35.22	35.22
Service tax	70.05	113.55
Luxury tax	36.00	36.00
Total	**141.27**	**184.77**

The Company's pending litigations above pertains to proceedings pending with Service tax and other authorities. 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(g).

d. During the earlier years, the Company has taken building on lease 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 ₹ 73.63 lakhs (Previous year: ₹ 55.60 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 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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

In case of the Company, retrospective effect is remote and at present uniformity is maintained across all brands/grades.

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, 2022	As at March 31, 2022	As at March 31, 2021
Canary Hotels Private Limited	1,207.99	2,350.00	2,350.00
Hyacinth Hotels Private Limited	9,465.79	8,605.00	8,605.00
Sukhsagar Complexes Private Limited	2,232.86	4,300.00	4,300.00
Oriole Dr. Fresh Hotels Private Limited	2,339.42	2,500.00	2,500.00
Fleur Hotels Private Limited	76,550.55	85,302.00	85,302.00
Carnation Hotels Private Limited	986.11	1,900.00	1,900.00
Total	**92,782.72**	**104,957.00**	**104,957.00**

32. EMPLOYEE STOCK OPTION PLANS:

a) 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, 2022 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, 2021:Nil) during the year on exercise of options granted under the employee stock option plan (ESOP).

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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
	- Hyacinth Hotels Private Limited
	- Lemon Tree Hotel Company Private Limited
	- Manakin Resorts Private Limited
	- Berggruen Hotels Private Limited
	- PSK Resorts & Hotels Private Limited
	- Oriole Dr. Fresh Hotels Private Limited
	- Red Fox Hotel Company Private Limited
	- Sukhsagar Complexes Private Limited
	- Hamstede Living Private Limited (w.e.f. March 31, 2021)
	- Inovoa Hotels & Resorts Limited
	- Canary Hotels Private Limited
	- Grey Fox Project Management Company Private Limited
	- Valerian Management Services Private Limited
	- Poplar Homestand Holdings Private Limited
	- Madder Stays Private Limited
	- Jessamine Stays Private Limited
Key Management Personnel	- Mr. Patanjali Govind Keswani (Chairman and Managing Director)
	- Mr. Rattan Keswani (Deputy Managing Director)(Upto March 31, 2022)
	- Mr. Ravi Kant Jaipuria (Director) (Upto March 23, 2021)
	- Mr. Anish Kumar Saraf (Director) (Upto May 29, 2020)
	- Mr. Willem Albertus Hazeleger (Director)
	- Mr. Aditya Madhav Keswani (Director)
	- Mr. Pradeep Mathur (Independent Director)
	- Mr. Parmartha Saikia (Independent Director)
	- Ms. Freyan Jamshed Desai (Independent Director)
	- Mr. Ashish Kumar Guha (Independent Director)
	- Mr. Arvind Singhania (Independent Director)
	- Mr. Arindam Kumar Bhattacharya (Independent Director)
	- Mr. Niten Malhan (Independent Director) (w.e.f November 6, 2020)
Enterprises owned or significantly influenced by key management personnel or their relatives	- Toucan Real Estates Private Limited
Associate	- Mind Leaders Learning India Private Limited
	- Hamstede Living Private Limited (upto March 30, 2021)

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
Reimbursement of expenses paid on behalf of party					
Fleur Hotels Private Limited	31-Mar-22	5.76	-	-	-
	31-Mar-21	4.88	-	-	-
Hyacinth Hotels Private Limited	31-Mar-22	0.89	-	-	-
	31-Mar-21	0.76	-	-	-
Celsia Hotels Private Limited	31-Mar-22	0.51	-	-	-
	31-Mar-21	0.42	-	-	-
Berggruen Hotels Private Limited	31-Mar-22	2.03	-	-	-
	31-Mar-21	1.39	-	-	-
Others	31-Mar-22	1.80	-	-	-
	31-Mar-21	1.09	-	-	-
Amount Received by the Party on behalf of the company					
Fleur Hotels Private Limited	31-Mar-22	11.15	-	-	-
	31-Mar-21	11.70	-	-	-
Celsia Hotels Private Limited	31-Mar-22	1.96	-	-	-
	31-Mar-21	5.51	-	-	-
Others	31-Mar-22	3.05	-	-	-
	31-Mar-21	6.64	-	-	-
Amount Received by the Company on behalf of the Party					
Hyacinth Hotels Private Limited	31-Mar-22	89.01	-	-	-
	31-Mar-21	76.46	-	-	-
Fleur Hotels Private Limited	31-Mar-22	63.38	-	-	-
	31-Mar-21	278.63	-	-	-
Others	31-Mar-22	1.54	-	-	-
	31-Mar-21	-	-	-	-
Loans (given)					
Canary Hotels Private Limited	31-Mar-22	1,497.92	-	-	-
	31-Mar-21	442.50	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-22	219.00	-	-	-
	31-Mar-21	68.00	-	-	-
Sukhsagar Complexes Private Limited	31-Mar-22	241.00	-	-	-
	31-Mar-21	100.00	-	-	-
Others	31-Mar-22	6.11	-	-	-
	31-Mar-21	4.00	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2022

₹ in lakhs

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
Repayment of Loan Given					
Canary Hotels Private Limited	31-Mar-22	1,422.52	-	-	-
	31-Mar-21	572.00	-	-	-
Fleur Hotels Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	2,788.00	-	-	-
Sukhsagar Complexes Private Limited.	31-Mar-22	31.00	-	-	-
	31-Mar-21	630.72	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-22	118.00	-	-	-
	31-Mar-21	-	-	-	-
Grey Fox Project Management Company Private Limited	31-Mar-22	12.00	-	-	-
	31-Mar-21	-	-	-	-
Others	31-Mar-22	2.75	-	-	-
	31-Mar-21	-	-	-	-
Services obtained (Gross)					
Grey Fox Project Management Company Private Limited	31-Mar-22	103.68	-	-	-
	31-Mar-21	20.70	-	-	-
Valerian Management services Private Limited	31-Mar-22	28.40	-	-	-
	31-Mar-21	13.90	-	-	-
Lease Rent Paid (Gross)					
Hyacinth Hotels Private Limited	31-Mar-22	233.79	-	-	-
	31-Mar-21	205.18	-	-	-
Rent Received(Gross)					
Carnation Hotels Private Limited	31-Mar-22	4.89	-	-	-
	31-Mar-21	-	-	-	-
Mind Leaders Learning India Private Limited	31-Mar-22	-	-	-	2.73
	31-Mar-21	-	-	-	-
Sale of Services					
Hamstede Living Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	-	-	-	0.02
Fleur Hotels Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	0.07	-	-	-
Purchase of Goods					
Fleur Hotels Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	0.07	-	-	-
Reimbursement of expenses incurred on company's behalf					
Hyacinth Hotels Private Limited.	31-Mar-22	226.82	-	-	-
	31-Mar-21	180.37	-	-	-
Remuneration paid					
Mr. Patanjali Govind Keswani	31-Mar-22	-	185.96	-	-
	31-Mar-21	-	38.36	-	-
Mr. Kapil Sharma	31-Mar-22	-	92.70	-	-
	31-Mar-21	-	75.80	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
Mr. Nikhil Sethi	31-Mar-22	-	34.86	-	-
	31-Mar-21	-	24.83	-	-
Purchase of Shares					
Mr. Patanjali Govind Keswani	31-Mar-22	-	-	-	-
	31-Mar-21	-	0.02	-	-
Toucan Real Estate Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	-	-	0.04	-
Sitting Fee paid					
Mr. Arvind Singhania	31-Mar-22	-	0.25	-	-
	31-Mar-21	-	0.75	-	-
Mr. Ashish Kumar Guha	31-Mar-22	-	1.25	-	-
	31-Mar-21	-	1.75	-	-
Ms. Freyan Jamshed Desai	31-Mar-22	-	2.00	-	-
	31-Mar-21	-	1.85	-	-
Mr. Paramartha Saikia	31-Mar-22	-	1.75	-	-
	31-Mar-21	-	2.05	-	-
Mr. Pradeep Mathur	31-Mar-22	-	1.60	-	-
	31-Mar-21	-	2.05	-	-
Mr. Niten Malhan	31-Mar-22	-	1.80	-	-
	31-Mar-21	-	0.80	-	-
Interest Received					
Grey Fox Project Management Company Private Limited	31-Mar-22	0.98	-	-	-
	31-Mar-21	1.08	-	-	-
Carnation Hotels Private Limited	31-Mar-22	0.19	-	-	-
	31-Mar-21	0.24	-	-	-
Guarantees given for Loan Taken By					
Fleur Hotels Private Limited	31-Mar-22	85,302.00	-	-	-
	31-Mar-21	85,302.00	-	-	-
Canary Hotels Private Limited	31-Mar-22	2,350.00	-	-	-
	31-Mar-21	2,350.00	-	-	-
Hyacinth Hotels Private Limited	31-Mar-22	8,605.00	-	-	-
	31-Mar-21	8,605.00	-	-	-
Sukhsagar Complexes Private Limited	31-Mar-22	4,300.00	-	-	-
	31-Mar-21	4,300.00	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-22	2,500.00	-	-	-
	31-Mar-21	2,500.00	-	-	-
Carnation Hotels Private Limited	31-Mar-22	1,900.00	-	-	-
	31-Mar-21	1,900.00	-	-	-
Subscription to Share Capital					
Sukhsager Complexes Private Limited in Equity Shares	31-Mar-22	-	-	-	-
	31-Mar-21	599.60	-	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
Canary Hotels Private Limited in Equity Shares	31-Mar-22	1,400.00	-	-	-
	31-Mar-21	150.00	-	-	-
Management Fees Received (Gross)					
Celsia Hotels Private Limited	31-Mar-22	111.99	-	-	-
	31-Mar-21	57.63	-	-	-
Fleur Hotels Private Limited	31-Mar-22	1,566.67	-	-	-
	31-Mar-21	961.67	-	-	-
Hyacinth Hotels Private Limited	31-Mar-22	292.63	-	-	-
	31-Mar-21	202.77	-	-	-
Berggruen Hotels Private Limited	31-Mar-22	213.77	-	-	-
	31-Mar-21	174.05	-	-	-
IORA Hotels Private Limited	31-Mar-22	891.00	-	-	-
	31-Mar-21	-	-	-	-
Others	31-Mar-22	113.63	-	-	-
	31-Mar-21	90.36	-	-	-
License Fee (Gross)					
Carnation Hotels Private Limited	31-Mar-22	17.70	-	-	-
	31-Mar-21	13.25	-	-	-
Training Fees Paid (Gross)					
Mind Leaders Learning India Private Limited	31-Mar-22	-	-	-	23.03
	31-Mar-21	-	-	-	21.20
Balances outstanding at the year end					
A) Trade Receivable					
Fleur Hotels Private Limited	31-Mar-22	1,767.87	-	-	-
	31-Mar-21	4,867.27	-	-	-
Berggruen Hotels Private Limited	31-Mar-22	195.70	-	-	-
	31-Mar-21	466.76	-	-	-
IORA Hotels Private Limited	31-Mar-22	962.27	-	-	-
	31-Mar-21	-	-	-	-
Others	31-Mar-22	205.44	-	-	-
	31-Mar-21	1,778.50	-	-	-
B) Loan to Subsidiaries					
Oriole Dr. Fresh Hotels Private Limited	31-Mar-22	169.00	-	-	-
	31-Mar-21	68.00	-	-	-
Sukhsagar Complexes Private Limited.	31-Mar-22	210.00	-	-	-
	31-Mar-21	11.28	-	-	-
Canary Hotels Private Limited	31-Mar-22	91.91	-	-	-
	31-Mar-21	16.50	-	-	-
Others	31-Mar-22	18.18	-	-	-
	31-Mar-21	26.83	-	-	-
C) Advance Recoverable					
Mind Leaders Learning India Private Limited	31-Mar-22	-	-	-	15.00
	31-Mar-21	-	-	-	12.82

Notes to Standalone Financial Statements
for the year ended March 31, 2022

₹ in lakhs

Transactions with Related Party	**Year Ended**	**Subsidiaries**	**Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)**	**Enterprises owned or significantly influenced by key management personnel or their relatives**	**Associate**
D) Trade Payable					
Hyacinth Hotels Private Limited	31-Mar-22	(11.90)	-	-	-
	31-Mar-21	(1,048.07)	-	-	-
Grey Fox Project Management Company Private Limited	31-Mar-22	-	-	-	-
	31-Mar-21	(13.05)	-	-	-
Others	31-Mar-22	-	(1.19)	-	-
	31-Mar-21	-	(1.17)	-	-
E) Security Deposits Given					
Hyacinth Hotels Private Limited	31-Mar-22	3,850.00	-	-	-
	31-Mar-21	3,850.00	-	-	-

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, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: 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

a. Financial Assets (other than equity investment/ deemed investment in subsidiaries and associates carried at cost)

₹ in lakhs

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	3,819.32	-	7,725.23
Security Deposits (non-current)	-	1,732.90	-	1,580.93
Security Deposits (current)		0.68		0.68
Fixed Deposits under Lien	-	112.44	-	228.28
Cash and Cash Equivalents	-	1,566.64	-	3,641.12
Interest accrued on deposit with banks and related party	-	95.98	-	321.36
Loans (non-current)	-	41.21	-	87.56
Loans (current)		489.09		122.61
Investments	766.94	-	439.48	-
Total Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)	**766.94**	**7,858.26**	**439.48**	**13,707.77**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

FVTPL: Fair value through Profit or Loss Account.

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

₹ in lakhs

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings (Non Current)	-	30,094.22	-	32,331.48
Borrowings (Current)	-	4,078.79		4,918.02
Trade Payables	-	2,863.88	-	4,267,23
Lease Liability(Non Current)	-	16,783.88	-	16,691.50
Lease Liability(Current)	-	300.25	-	301.73
Other Current Financial Liabilities	-	104.63	-	283.82
Total Financial Liabilities		**54,225.65**		**58,793.78**

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, 2022

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, 2022			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.26	0.26
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	266.24	266.24
Investment in Quoted Mutual Funds	500.44	-	-	500.44
Total	**500.44**	**-**	**266.50**	**766.87**

₹ in lakhs

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL				
Unquoted equity instruments	-	-	200.30	200.30
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	239.18	239.18
Investment in Quoted Mutual Funds	-	-	-	-
Total	**-**	**-**	**439.48**	**439.48**

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.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2022 and March 31, 2021 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
FVTPL fair values of compulsorily redeemable preference shares of subsidiaries	DCF method	Discount Rate	**31 March 2022:** 11.22% - 12.12%
			31 March 2021: 11.22% - 12.12%
		Expected dividends	**31 March 2022:** 0% - 5%
			31 March 2021: 0% - 5%

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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.

₹ In lakhs

	March 31, 2022	March 31, 2021
Variable rate borrowings	33,925.56	36,965.93
Fixed rate borrowings	247.45	283.57

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 31,2022		
Floating rate borrowings	50	(194.93)
Floating rate borrowings	-50	194.93
March 31, 2021		
Floating rate borrowings	50	(162.13)
Floating rate borrowings	-50	162.13

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(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.

Trade Receivable As at March 31, 2022

₹ In lakhs

Ageing	Gross trade receivable	Expected credit loss	Net receivable
Not due	-	-	-
0-60 days past due	2263.34	0.49	2,262.85
61-120 days past due	741.44	0.29	741.15
121-180 days past due	388.58	0.31	388.27
180-365 days past due	416.44	0.29	416.15
more than 365 days	155.84	144.94	10.9
TOTAL	**3,965.64**	**146.32**	**3,819.32**

Trade Receivable As at March 31, 2021

₹ In lakhs

Ageing	Gross trade receivable	Expected credit loss	Net receivable
Not due	-	-	-
0-60 days past due	1139.47	0.53	1,138.94
61-120 days past due	371.61	0.19	371.42
121-180 days past due	348.00	0.19	347.81
180-365 days past due	2,676.82	0.78	2,676.04
more than 365 days	3,376.97	185.95	3,191.02
TOTAL	**7,912.87**	**187.64**	**7,725.23**

Provision for doubtful debts (including provision for expected credit loss)

₹ In lakhs

Ageing	31-March-22	31-March-21
Not due	-	-
0-60 days past due	0.49	0.53
61-120 days past due	0.29	0.19
121-180 days past due	0.31	0.19
180-365 days past due	0.29	0.78
more than 365 days	144.94	185.95

Reconciliation of provision for doubtful debts – Trade receivables (including provision for expected credit loss)

₹ In lakhs

Particulars	March 31, 2022	March 31, 2021
As at beginning	**187.64**	**187.64**
Addition during the year	-	-
Reversal during the year	(41.32)	-
Utilised during the year	-	-
As at closing	**146.32**	**187.64**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(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, 2022 and March 31, 2021 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, 2022, the company had no available (March 31, 2021:₹ 490 lakhs) undrawn committed borrowing facilities.

The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments.

₹ In lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2022						
Borrowings*	0.19	805.62	3,301.64	23,429.84	6,736.01	34,300.17
Trade and other payables	2,863.88	-	-	-	-	2,863.88
Other Financial Liabilities	104.63	-	-	-	-	104.63
	2,968.70	**805.62**	**3,301.64**	**23,429.84**	**6,763.01**	**37,268.68**
Year ended March 31, 2021						
Borrowings *	1,362.95	697.44	2,862.33	23,083.82	9,394.29	37,400.83
Trade and other payables	4,267.23	-	-	-	-	4,267.23
Other Financial Liabilities	283.82	-	-	-	-	283.82
	5,914.00	**697.44**	**2,862.33**	**23,083.82**	**9,394.29**	**41,951.88**

* represents un-discounted cashflows

The table provides details regarding the contractual maturities of lease liabilities on undiscounted basis

₹ In lakhs

	As at March 31, 2022	As at March 31, 2021
Minimum Lease Payments :		
Not later than one year	1,555.49	1,479.16
Later than one year but not later than five years	6,632.24	6,464.90
Later than five years	42,885.01	44,607.84
Total	**51,072.74**	**52,551.90**

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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

₹ In lakhs

	March 31, 2022	March 31, 2021
Borrowings (Net of Processing Fee)	34,173.01	37,249.50
Trade payables	2,863.88	4,267.23
Less: cash and cash equivalents	1,566.64	3,641.12
Net debt	**35,470.25**	**37,857.61**
Total capital	98,807.02	100,323.94
Capital and net debt	134,277.27	138,199.55
Gearing ratio	**26%**	**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 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, 2022 and March 31, 2021.

37. AMENDEMENTS/STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

a) 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.

Ind AS 16-Property Plant and equipment- The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods begining on or after April 1, 2022. The Company is evaluating the impact of Ind AS 16 and its effect on the financial statements.

Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets- The amendment specifies that the 'cost of fulfilling a contract comprises the "costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1. 2022, although early adoption is permitted. The Company is evaluating the impact of Ind AS 37 and its effect on the financial statements

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

38. RATIO ANALYSIS AND ITS ELEMENTS

S. No.	Ratio	Numerator	Denominator	March 2022	March 2021	% Variance	Reason for variance
1	Current Ratio	Current Asset	Current liabilities	1.00	1.40	-28.42%	Decrease due to higher collection from debtors
2	Debt Equity Ratio	Total Debt	Shareholder equity	0.35	0.37	-6.85%	-
3	Debt service coverage Ratio	Earnings available for debt service (refer note (i) below)	Debt service	0.61	0.45	34.72%	Decrease in losses as compared to previous year
4	Return on Equity	Net profit after taxes	Average shareholders equity	(1.6%)	(4%)	(59.47%)	Decrease in loss as compared to previous year
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory (excluding Stores, cutlery, crockery, linen)	10.93	5.75	90.15%	Increase in revenue has lead to increase inventory levels
6	Trade Receivable turnover Ratio	Net total sales	Avg. accounts receivable	2.24	1.02	119.91%	Increase in revenue has lead to increase average debtors
7	Trade Payables turnover Ratio	Net credit purchase	Average Trade Payable	NA	NA	NA	Not applicable to the company considering nature of services
8	Net capital Turnover Ratio	Net Sales	Working capital	1,496.98	1.94	77,248.09%	Decrease in working capital levels as compared to previous year
9	Net Profit Ratio	Net Profit	Net sales	(12%)	(51%)	75.61%	Decrease in losses as compared to previous year
10	Return on capital employed	EBIT	Capital employed	1.7%	(0.2%)	(921.37%)	Decrease in losses as compared to previous year
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 = Net worth+ Total Debt + Deferred Tax Liability - Net Intangible aseets.

(iv) Working Capital= Currrnt 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".

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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, 2021 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.

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 is committed to take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further.

42. INVESTMENT IN HAMSTEDE LIVING PRIVATE LIMITED

Particulars	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
Opening balance:	295.00	-
Investment in Equity shares	-	15.00
Investment in CCPS	-	870.00
	295.00	**885.00**
Changes during the previous year:		
Additional Investment during the previous year	-	2.07
Investment in Equity Shares	-	870
Investment in CCPS	-	(870)
Less: Provision for diminution	-	(592.07)
Closing balance	**295.00**	**295.00**

As on March 2021, the Company had conducted impairment evaluation on value of investments in Hamstede Living Private Limited (HLPL) and recognised provision for diminution/impairment in the value of investment of ₹ 592.07 lakhs as an exceptional item in the Statement of Profit and Loss.

The recoverable amount of HLPL had been considered on the basis of net assets approach for the company.

Due to current COVID 19 situation, the HLPL management had slowed down its expansion plan and had assessed the impact of macro-economic conditions on its business and the carrying value of its assets mainly comprising of Property, Plant and Equipment (PPE), Capital work in progress and security deposits as at the balance sheet date.

Company is of the view that there would be no material increase to the impairment charge which would impact the decision of the user of the financial statements.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

43. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006.

(₹ in lakhs)

	March 31, 2022	March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	206.18	94.89
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

44. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

45. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

46. 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.

(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 not entered into any scheme of arrangements in terms of section 230 to 237 of the Companies Act, 2013 and accordingly, the prescribed disclosures of Schedule III are not required to be given.

(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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(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.

47. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification.

For and behalf of the Board of Directors of
Lemon Tree Hotels Limited

	Patanjali G. Keswani	Kapil Sharma	Nikhil Sethi
	(Chairman & Managing	(Chief Financial Officer)	(AVP Legal & Group
Place: New Delhi	Director)		Company Secretary)
Date : May 27, 2022	DIN-00002974		Mem. no. - A18883

Corporate information

REGISTERED & CORPORATE OFFICE

Lemon Tree Hotels Limited
Asset No.6, Aerocity Hospitality District
New Delhi 110037, India

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Nikhil Sethi

STATUTORY AUDITORS

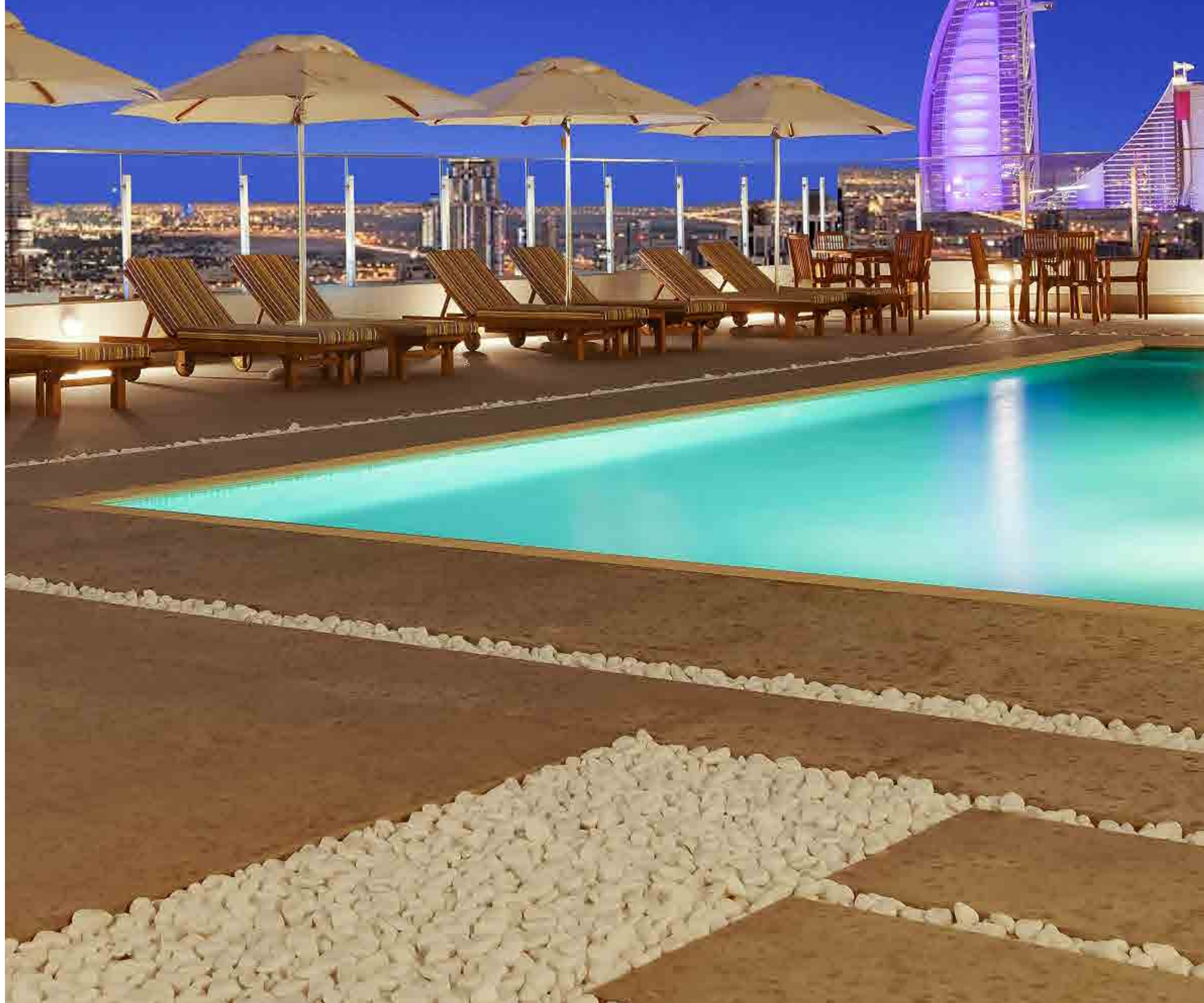
Deloitte Haskins & Sells LLP
7th Floor, Building 10B
DLF City Phase II
Gurugram 122 002, Haryana, India

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited
Selenium Tower B, Plot 31 & 32
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad - 500 032, Telangana
E-mail: einward.ris@kfintech.com
Website: https://ris.kfintech.com/
Toll free number 1-800-309-4001

BANKERS TO THE COMPANY

Axis Bank Limited
HDFC Bank Limited
Kotak Mahindra Bank Limited
YES Bank Limited



lemon tree HOTELS

LEMON TREE HOTELS LIMITED

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