



PEOPLE PLANET PROFIT

Lemon Tree Hotels Limited
Integrated Report 2022-2023



PEOPLE. PLANET. PROFIT.

At the heart of Lemon Tree Hotels' mission lies a steadfast commitment to People, Planet and Profit. Guided by this mission, we harmonise our endeavours to shape a brighter, more equitable future.

People: Embedded in our essence is a commitment to the welfare of our people—our dedicated team members, valued suppliers and the community we live in. Woven seamlessly into our daily operations, this commitment propels growth, fosters inclusion and uplifts lives.

Planet: Our responsibility to the environment drives us to adopt sustainable practices that minimise our carbon footprint. Through green building design, energy and water efficiency/recycling initiatives, waste reduction practices and renewable energy adoption, we strive to safeguard our planet's natural resources for the generations to come.

Profit: Our commitment to financial prosperity is unwavering. By maintaining a robust financial performance, we create a stable foundation that empowers us to invest in our people and planet, and provide value to our shareholders.

This synergy between profitability, social responsibility and environmental stewardship defines our business ethos.



 Aurika, Coorg

Lemon Tree Hotels

Lemon Tree Hotels (LTH) is one of the key players in the hospitality industry in India and is a leader in the mid-market segment. The company focuses on delivering exceptional guest experiences through its differentiated and compelling value proposition. With a strong focus on innovation and sustainability, LTH continues to redefine and elevate the standards of hospitality in India.

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


8,382
Rooms


88
Hotels

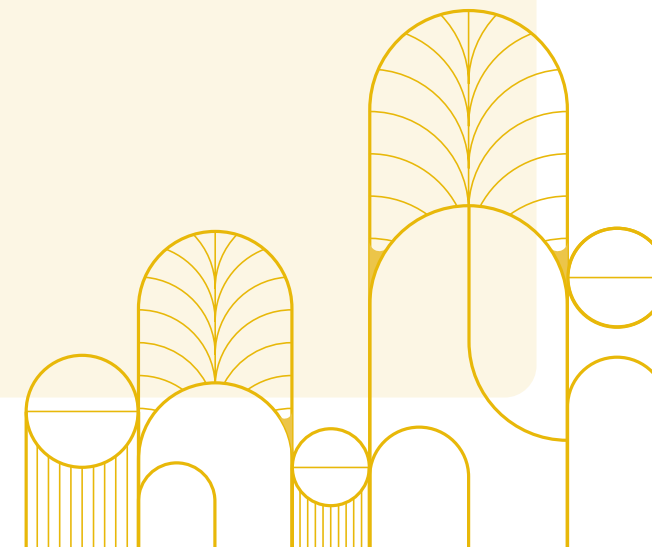

56
Destinations

As on 31st March 2023

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To know more, visit
<https://www.lemontreehotels.com/>





LAZYLAGOON
a lemon tree resort

📍 Lazy Lagoon, Baga - A Lemon Tree Resort, Goa



Vision

Lemon Tree Hotels shall be India's largest and finest chain of upscale, mid-scale 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.

Rewarding our stakeholders, whose trust motivates us to excel further.

Contributing to the community we live in and to India in general.

Maximising the efficiency of our processes, to enable us to be the most cost-effective brand offering the greatest value, which our customers have every right to expect.

Delighting our guests, whose comfort, safety, security and well-being is our main reason for being.

With a strong foundation built upon our core values, we are committed to providing our stakeholders with the highest standards of excellence.



Core Values (HAS TO RISE)

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

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

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

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

Ownership: We always take responsibility for our actions.

Excellence: We always drive excellence in what we do.

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

Empowering People, Protecting the Planet, Maximising Profit

MAXIMISING SHAREHOLDER VALUE

111%
Total revenue growth

208%
EBITDA* growth, driving our balance sheet

128%
Substantial YoY RevPAR growth

54%
ARR growth, reflecting our growth momentum

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ROBUST OPERATIONAL PERFORMANCE

6
New openings with growing portfolio

23
New signings across 12 states

56
Destinations, expanding geographical presence

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*EBITDA is before a stamp duty expense of ₹4.8 Crores



📍 Citrus Cafe, alfresco at Lemon Tree Hotel, Electronics City, Bengaluru

CARING FOR THE PLANET

10%
Reduction in energy consumption (intensity based) over FY19 baseline

10.97%
Renewable energy usage out of total energy consumption

19%
Reduction in GHG emissions (intensity based) over FY19 baseline

15%
Reduction in water consumption (intensity based) over FY19 baseline

25%
Certified green buildings

... Page 69



📍 Lemon Tree Hotel and Red Fox Hotel, Sector 60, Gurugram

SUPPORTING THE COMMUNITIES

98%
Sourcing from local suppliers

₹7.15 Lakhs
CSR spend

... Page 63

FOCUS ON PEOPLE

13%
Opportunity Deprived Indians (ODIs) in the workforce

14%
Women across the workforce

14.3%
Women on the Board

1:1
Male:Female wage ratio

Certified Great Place To Work

... Page 49



About the Report

Our FY23 Integrated Report provides relevant information to our shareholders and other stakeholders about the performance, governance, strategy and future prospects of LTH.

SCOPE AND BOUNDARY

In this Report, we present an inclusive overview of our operations, including all 40 hotels owned/leased by LTH, along with our subsidiaries, joint ventures, associates and other collaborations. It provides a comprehensive overview of our progress, accomplishments and future goals, both tangible and intangible and financial and non-financial aspects of the business.

REPORTING PERIOD

1st April 2022 — 31st March 2023

FRAMEWORKS, GUIDELINES AND STANDARDS

This Report follows the Integrated Reporting Framework <IR> set forth by the Value Reporting Foundation. It also has been prepared with reference to the GRI Standards 2021.

The report is aligned to:

- The Companies Act, 2013 (and the Rules made thereunder)
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVEE)
- Indian Accounting Standards (Ind-AS)
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Secretarial Standards issued by the Institute of Company Secretaries of India

PRECAUTIONARY APPROACH

We embrace a precautionary approach to minimise the environmental impact of our operations. Regular reviews of our hotels' Environment, Health and Safety (EHS) performance are conducted to effectively identify and mitigate any potential negative impacts.

RESPONSIBILITY STATEMENT

The Board of Directors acknowledges its responsibility to ensure the integrity of this Integrated Report. The Board has accordingly applied its collective mind and believes the report addresses all material issues and presents the integrated performance of the company and its impact in a fair and accurate manner.

DATA INTEGRITY

To ensure the accuracy, reliability and transparency of this Integrated Report, we have diligently gathered and analysed relevant data. Our rigorous internal controls uphold the principles of unbiased, comparable and comprehensive information. Also, we have been conscious in acknowledging any noteworthy limitations associated with the data, wherever applicable.

MATERIALITY

The Report compiles data on material issues identified by stakeholders and the company, critical to the value-creation process. Read more on the Materiality process on

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Material Topics

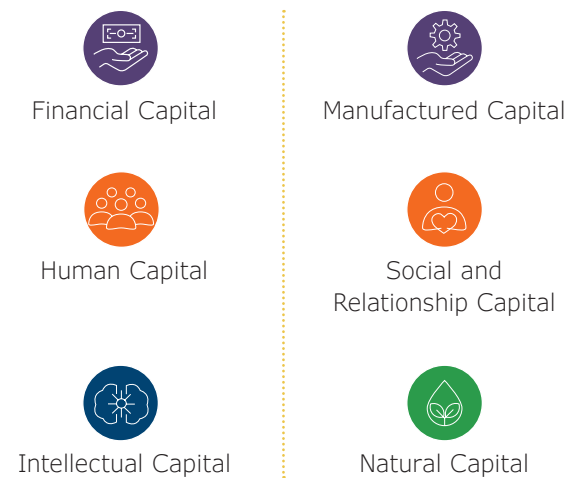
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EXTERNAL ASSURANCE

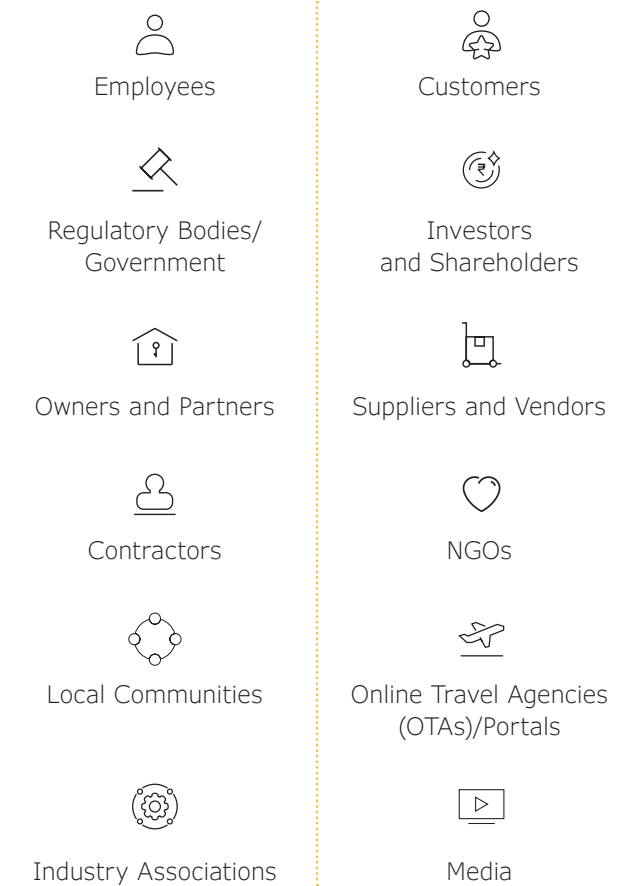
This Report has undergone independent assurance by Felix Advisory Private Limited in accordance with the GRI Standard 2021 and the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Their statements form a part of the Report. The information regarding business performance is derived from our audited financial statements for FY23. Find the assurance certificate on

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NAVIGATING THE REPORT



OUR STAKEHOLDERS



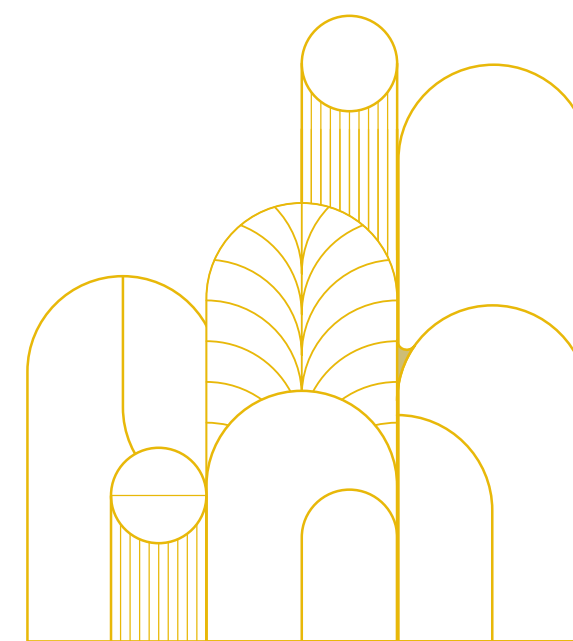
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FEEDBACK

For any inquiries and feedback regarding this Report, please feel free to email us at: ESG@lemontreehotels.com

REGISTERED OFFICE

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Catering to Every Guest, Every Need

LTH is the largest mid-market hotel chain in India, with seven brands, 88 hotels and 8,382 rooms, across 56 destinations. Our brands offer exceptional service across price points, thereby catering to the diverse needs of our guests.

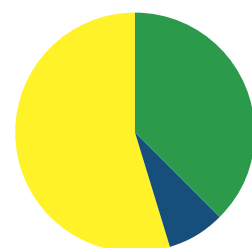


The Library at Aurika, Udaipur

We have successfully established the sixth-largest hotel chain in India by inventory, encompassing owned, leased, managed and franchised hotels. Our hotels cater to the needs of both leisure and business travellers looking for a hotel in the upscale, mid-scale or economy segment.

Our domestic hotels, strategically located in metro regions, as well as tier-I, tier-II and tier-II cities, combined with our international presence, make us the preferred choice for our guests.

Hotels by Contract Type (%)



- 33 Owned
- 7 Leased
- 48 Managed/Franchised

OUR STRENGTHS

Cost and Capital Efficiency

With a skilled project management team, we efficiently identify strategically located land at reasonable prices, which results in higher margins with operating costs significantly lower than competitors.

₹455.93 Crores
EBITDA*

Affordability and Customer Loyalty

Dominant positioning in the mid-scale segment helps us to withstand economic slowdowns. The loyalty programme fosters repeat guests, giving us a network advantage for expansion.

15.79 Lakhs
Loyalty programme members

77%
Retail Net Promoter Score (NPS)

*EBITDA is before a stamp duty expense of ₹4.8 Crores

Pan-India Scale and Network

Our wide geographic presence in major metros and tier-I, tier-II and tier-III cities allows us to meet the needs of corporate and business clients and leisure travellers alike.

88
Hotels across 56 destinations

Superior Business Model

LTH's 1.7X RoCE compared to five-star hotels, lower average development cost per room, and higher average occupancy showcase a superior business model.

11.20%
Return on Capital Employed (RoCE)

68%
Average occupancy rate

OUR OPERATING SEGMENTS AND BRANDS

Upscale Segment

AURIKA
HOTELS & RESORTS

Upper Mid-scale Segment

lemon tree
PREMIER

keys
PRIMA
BY LEMON TREE HOTELS

Mid-scale Segment

lemon tree
HOTELS

keys
SELECT
BY LEMON TREE HOTELS

Economy Segment

redfox
BY LEMON TREE HOTELS

keys
LITE
BY LEMON TREE HOTELS

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OUR STRATEGIC PRIORITIES



Asset-Light Growth



Digital Transformation



Retail Acceleration



Loyalty Expansion



Cost Structure



Capital Recycling



Simplifying Group Structure

ESG is the foundation on which these priorities are set and implemented.

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OUR PORTFOLIO

Unveiling Opportunities, Connecting Dreams

We have a diverse portfolio, spanning upscale, mid-scale and economy segments in key metros and tier-I, tier-II and tier-III cities, i.e. at prominent urban centres and tourist destinations. We offer comfortable and convenient stays to our guests with our smart in-room amenities, vibrant dining outlets, rejuvenating recreational options and more, all at an affordable price.



Lemon Tree Hotel, Port Blair

FOCUS ON EXPANSION AND MANAGEMENT CONTRACTS

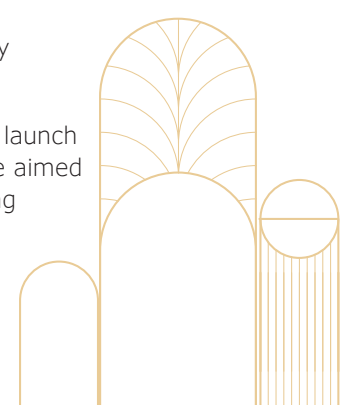
LTH's growth strategy is focused on an asset-light expansion. We are rapidly increasing our managed and franchised hotel inventory, and are planning to add ~2,547, rooms in the near future. Based on the current pipeline, we aim to have 130 hotels and 11,667 rooms. With our focus on asset-light expansion, incremental cash flows will be primarily utilised for debt reduction, as we aspire to achieve a debt-free status over the next five years.

We are happy to witness a notable upswing in interest from standalone hotel owners to partner with LTH, particularly in tier-II and tier-III cities. These owners recognise the value we bring through our

brand portfolio, sales network, distribution platforms and best-in-class loyalty programme.

Additionally, our foray into the management and franchise space has significantly boosted our growth trajectory, allowing us to extend our presence into new and untapped markets. This single-minded approach has strengthened our position as a preferred hotel brand in the industry, especially in the mid-market segment.

Furthermore, we have recently announced the launch of our new franchise division—a strategic move aimed at leveraging our existing brands and expanding our network through franchised hotels.



UPSCALE SEGMENT



Aurika, Udaipur

aurika
HOTELS & RESORTS

Aurika Hotels & Resorts curate extraordinary experiences in a stunning ambience. These hotels are stylishly elegant yet comfortably informal. With an emphasis on design, these hotels are a reflection of the destination they are located in. They feature new-age dining and innovative entertainment options, complemented by invigorating fitness and wellness facilities. The essence of the brand is reflected in 'Beyond the Unusual'.

2
Hotels

194
Rooms

UPPER MID-SCALE SEGMENT



Lemon Tree Premier, Mumbai International Airport

lemon tree
PREMIER

Lemon Tree Premier elevates the Lemon Tree experience while retaining the same freshness, quirkiness and energy that Lemon Tree is well known for. These hotels offer plush and spacious interiors, a refreshing swimming pool, a well-equipped fitness centre and rejuvenating Fresco Spa, flexible meeting spaces and a business centre. Lemon Tree Premier pampers the style conscious and upbeat traveller with its personalised service, premium in-room amenities, award winning restaurants and fun experiences.

18
Hotels

2,514
Rooms



Keys Prima by Lemon Tree Hotels, Thekaddy

keys
PRIMA
BY LEMON TREE HOTELS

Keys Prima offers stylish features and excellent service with exclusive hospitality and innovative services.

2
Hotels

82
Rooms

Our Portfolio

MID-SCALE SEGMENT



Lemon Tree Hotel, Amritsar



Like the fruit they are named after, Lemon Tree Hotels are fresh, cool and sparkling with zest. These stylish business hotels offer fresh and bright interiors, 'close to home' comfort with smart in-room amenities, a vibrant café, a recreation bar, a swimming pool and fitness centre, all at an unbeatable value.

41 Hotels
2,971 Rooms



Keys Select by Lemon Tree Hotels, Gandhi Ashram, Ahmedabad



Keys Select hotels offer comfort and convenience for business or leisure travellers, with its efficient service, impeccable hygiene and delectable food.

11 Hotels
1,223 Rooms

ECONOMY SEGMENT

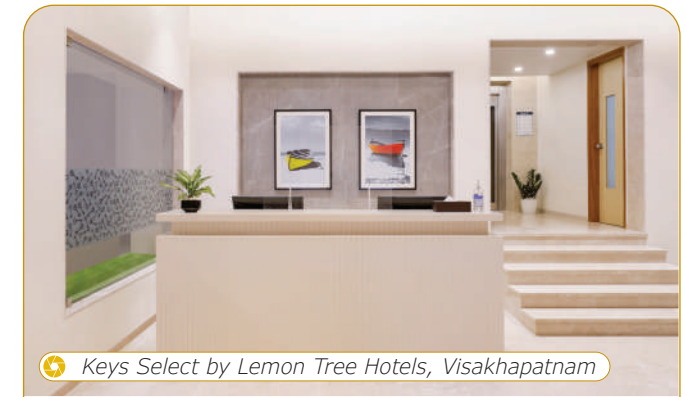


Red Fox Hotel, Neelkanth



Red Fox Hotels offer bold interiors, crisp and clean rooms, unbeatable value and reliable safety standards. The facilities include WiFi, Clever Fox Café, efficient meeting spaces, a well-equipped fitness centre and laundry service. The 'close to home' environment make it the first choice for price conscious travellers.

11 Hotels
1,290 Rooms



Keys Select by Lemon Tree Hotels, Visakhapatnam



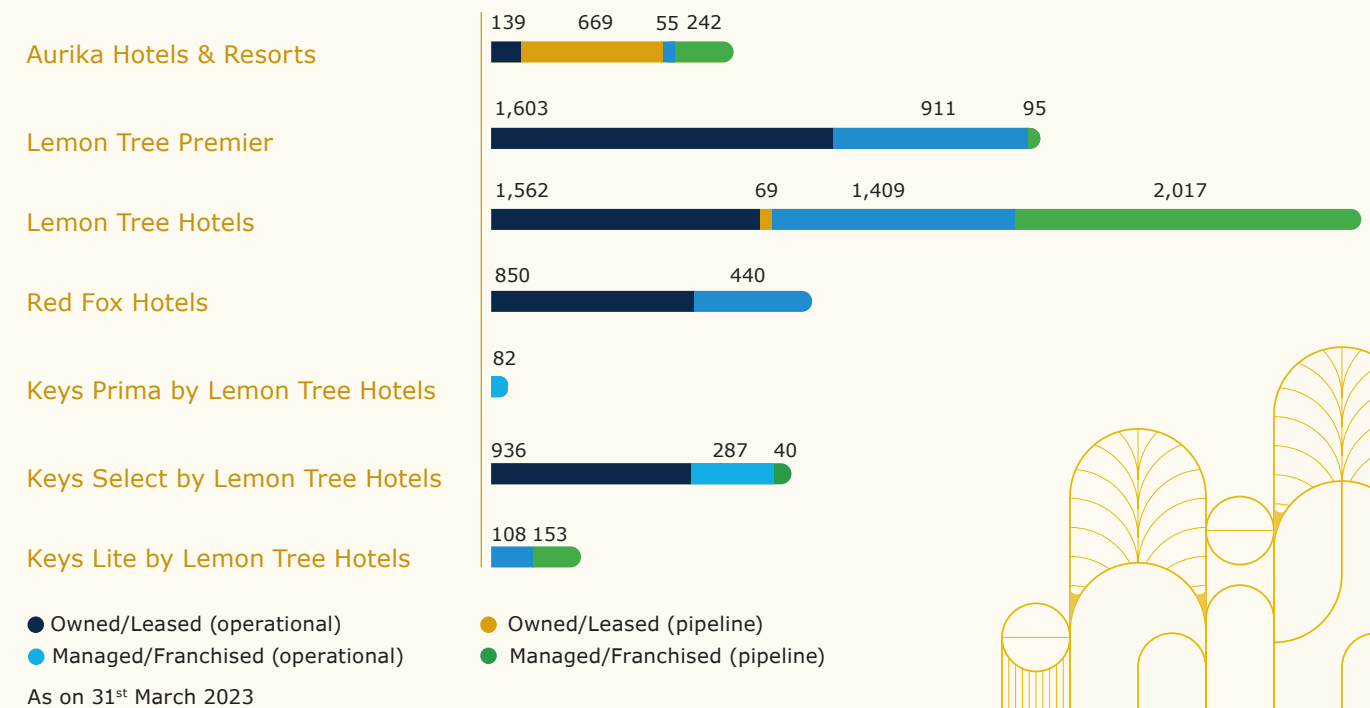
Keys Lite offers affordable, stress-free accommodation for the price-conscious traveller with hygienic rooms, essential amenities, delicious food, and safety and security.

3 Hotels
108 Rooms



Swimming Pool at Lazy Lagoon, Baga-A Lemon Tree Resort, Goa

Total Rooms by Inventory Type



Expanding, Connecting, Enriching

Our fast-paced growth allows us to penetrate deeper and wider across India, and reach tier-II, tier-III and tier-IV cities. We opened five new hotels in major tourist destinations and signed 10 new hotels in unique destinations.

NEW HOTELS OPENED IN FY23

Keys Lite by Lemon Tree Hotels, Sreekanya, Visakhapatnam,

Offers 44 smart rooms and suites, Keys Café multi-cuisine restaurant and a conference room

Lemon Tree Hotel, Kalina, Mumbai

Offers 63 rooms and suites, Citrus Café multi-cuisine coffee shop, recreation bar Slounge and a fitness centre

Lemon Tree Hotel, Mukteshwar

Offers 41 rooms and suites with breathtaking mountain views, Citrus Café multi cuisine coffee shop and Slounge, the recreation bar

Keys Prima by Lemon Tree Hotels, Thekkady, Kerala

Offers 42 well-appointed rooms, Keys Café multi-cuisine restaurant and serene nature activities

Keys Lite by Lemon Tree Hotels, Tapovan, Rishikesh

Offers 39 smart rooms, Keys Café multi-cuisine restaurant and a rejuvenating spa in a serene setting

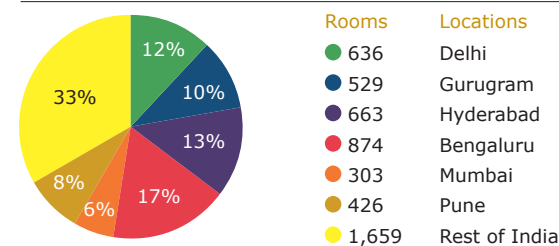
Keys Select by Lemon Tree Hotels, Gandhi Ashram, Ahmedabad

Offers 52 smart rooms and suites, and Keys Café multi-cuisine restaurant

NEW SIGNINGS IN FY23

1. Lemon Tree Hotel, Anjuna, Goa
2. Lemon Tree Hotel, Chandausi, Uttar Pradesh
3. Lemon Tree Hotel, Erode, Tamil Nadu
4. Lemon Tree Hotel, Haridwar, Uttarakhand
5. Lemon Tree Hotel, Hubli, Karnataka
6. Lemon Tree Premier, Kanha, Madhya Pradesh
7. Lemon Tree Hotel, Rajkot, Gujarat
8. Keys Lite by Lemon Tree Hotels, Jaipur, Rajasthan
9. Lemon Tree Hotel, Jamshedpur
10. Lemon Tree Resort, Kumbhalgarh, Rajasthan
11. Lemon Tree Hotel, Sri Ganganagar, Rajasthan
12. Lemon Tree Hotel, Tezpur, Assam
13. Keys Lite by Lemon Tree Hotels, Banswara, Rajasthan
14. Lemon Tree Hotel, Bharuch, Gujarat
15. Lemon Tree Hotel, Bhopal, Madhya Pradesh
16. Keys Select by Lemon Tree Hotels, Chirang, Assam
17. Lemon Tree Hotel, Jabalpur, Madhya Pradesh
18. Lemon Tree Hotel, Manali, Himachal Pradesh
19. Lemon Tree Hotel, Kharar, Chandigarh
20. Lemon Tree Hotel, Malad, Mumbai
21. Keys Lite by Lemon Tree Hotels, Dehradun, Uttarakhand
22. Lemon Tree Hotel, Dapoli
23. Keys Lite by Lemon Tree Hotels, Sylvan, Dapoli

Region-wise Inventory



NEW OPENINGS AND NEW SIGNINGS



56
Destinations

7
Brands

88
Hotels

8,382
Rooms

42
Hotels in the pipeline

3,285
Rooms in the pipeline

TOTAL PORTFOLIO¹

130
Hotels

11,667
Rooms

71
Operating destinations

¹ This includes our pipeline, which is subject to change over time

Breaking Records and Setting Trends



Dear Shareholders,

We are delighted to release our second Integrated Report, which showcases what we have accomplished in FY23. It has been a year of recovery and success. While we continue to rebuild the business after the pandemic, we have reached an important milestone in FY23, with our revenue surpassing pre-COVID levels. This achievement is a testament to the hard work and resilience of our team.

CHASING THE HOSPITALITY HORIZON

The Indian travel and tourism sector is experiencing a notable resurgence, particularly in domestic tourism, as travellers prioritise leisure and relaxation. Encouragingly, the Ministry of Tourism reported a steady post-COVID growth rate of 40% in FY23, signalling a robust recovery in the industry. According to research conducted by the World Travel & Tourism Council (WTTC), the travel and tourism sector's contribution to the Indian economy is projected to surpass pre-pandemic levels by 2024, with a remarkable YoY growth of 20.7%.

Throughout FY23, the hotel industry has witnessed rapid recovery, with Average Room Rates (ARRs) and Occupancy Rates (ORs) exceeding pre-COVID levels. This resurgence can be attributed to the emergence of new travel trends, the hosting of significant global events and favourable demand-supply dynamics. India's G20 presidency has also played a pivotal role in boosting international arrivals, positively impacting the hospitality industry across some locations. Additionally, we have observed a growing trend of multi-generational and group travel, with guests seeking exclusive experiences that offer privacy and comfort.

As the hospitality industry began to recover from early FY23, we also successfully resumed our growth journey and saw an upward trajectory through the year. We are now strategically positioned to take advantage of emerging trends, as our singular focus on catering to the growing needs of India's middle-class consumer (in the traditionally underserved, mid-scale market) has set us apart as the leader in this segment. As we navigate the evolving market dynamics, we are confident of our ability to continue providing exceptional service and value to our customers.

A YEAR OF RECORD-BREAKING SUCCESS

In FY23, Lemon Tree Hotels (LTH) experienced exceptional growth, as our total revenue more than doubled compared to FY22, reaching ₹879 Crores. We also maintained an EBITDA margin* of 51.9% for the full year, reflecting the positive momentum we garnered and our strong performance across all metrics.

By focusing on building occupancy in FY23, we achieved a significant increase of 2,197 basis points (bps) compared to FY22, and an exceptional 2,827 bps compared to FY21. Additionally, our ARR increased by 54% compared to FY22, reaching ₹5,340. This improvement translated into a revenue per available room (RevPAR) of ₹3,636, reflecting a 128% growth compared to FY22.

The EBITDA margin* stood at 51.9% in FY23, which increased by 1,635 bps over FY22 and 1,574 bps from FY20. Our Profit After Tax (PAT) for FY23 was at ₹140.5 Crores, which stands in contrast to a negative PAT of ₹137.4 Crores and ₹13 Crores recorded in FY22 and FY20, respectively. Our cash profit also demonstrated significant growth, reaching ₹237.1 Crores, which stands in contrast to a negative cash profit of ₹33.0 Crores in FY22 and a positive ₹74.1 Crores in FY20. In FY23, the total management fees received by LTH was ₹104 Crores, which was 54% higher than in FY20.

With our prudent financial management, our gross debt, as of 31st March 2023, stood at ₹1,746 Crores, while the average cost of borrowings was 9.08%. However, the weighted average cost of borrowing for the full year was 8.38%.

During this period, we opened 6 new hotels and signed 23 new management/franchise contracts, adding 1,394 rooms to our pipeline. As of 31st March 2023, our operational inventory comprised 88 hotels with 8,382 rooms and our pipeline included 42 hotels with 3,285 rooms.

*EBITDA is before a stamp duty expense of ₹4.8 Crores

BUILDING A SUSTAINABLE LEGACY

At LTH, we embrace sustainability as a key pillar of our business model and an integral part of our operations. We are driven by a robust Environmental, Social and Governance (ESG) approach that prioritises value creation for all stakeholders, including shareholders and investors, employees, customers, suppliers, partners and society at large. To that end, we have established an ESG governance structure comprising a Board that sets the vision for meeting ESG requirements, an ESG task force that develops the strategy and policies, and a dedicated senior leadership team that implements and manages ESG related initiatives and programmes. We have set ambitious targets to become an ESG exemplar by FY26. We are confident of making significant incremental progress annually and creating continuous measurable impact.

PRIORITISING PEOPLE

Social sustainability is at the core of our values, demonstrated through a diverse and inclusive workforce. By FY26, we aim to employ 30% Opportunity Deprived Individuals (ODIs), including those with disabilities and those from marginalised backgrounds, and to maintain a gender-balanced workforce with 15% women employees. We invest significantly in employee training and have dedicated development programmes to upskill our team members, ensuring their growth and development.

Beyond our organisational boundaries, we actively engage with the communities in which we operate, focusing on their upliftment and well-being. As part of our commitment, we prioritised collaborating with local suppliers and achieved a YoY growth of 6% in local sourcing in FY23. We firmly believe that our success is intertwined with the progress and prosperity of the communities we live in, and we will continue to drive meaningful change through our social initiatives.

SAFEGUARDING THE PLANET

We have set ambitious targets for FY26 to significantly reduce our environmental impact, using FY19 as the baseline year. Our key targets include achieving a 15% reduction in energy consumption (intensity-based) and fulfilling 50% of our energy needs through renewable energy sources. We also intend to reduce our greenhouse gas emissions by 40% (intensity-based) and decrease water consumption by 10% (intensity-based). By achieving Indian Green Building Council certification for 100% of our owned properties, we also intend to reduce our carbon footprint.

In FY23, 25% of our portfolio was IGBC/LEED Gold-certified, which helped us meaningfully achieve intensity-based reduction of 10%, 19% and 15% for energy consumption, GHG emissions and water consumption, respectively (compared to the FY19 baseline). By adopting innovative practices, we strive to reduce resource consumption and lower our carbon footprint. Transparent monitoring of Scope 1 and 2 emissions organisation-wide is an integral part of our environmental efforts.

ROADMAP 2028

After navigating the challenges of the COVID-19 era, we have now defined our strategic targets for the coming five years. This roadmap outlines well-defined and realistic objectives; our primary focus is on achieving superior financial performance, streamlining our portfolio, eliminating debt and establishing ourselves as industry leaders in the areas of digital innovation and ESG practices.

With a clear vision and target of over 300 hotels and 20,000 rooms by CY28, our strategy is anchored on asset-light growth, digitisation, increased retail share, customer loyalty, lean operations, capital optimisation and strategic restructuring. To achieve this rapid expansion, we intend to extend our network of managed and franchised rooms to around 15,000, contributing to approximately 70% of our then room portfolio. In October 2023, we plan to open our largest hotel - Aurika, Mumbai Skycity, which will add 669 rooms to our total owned inventory.

The pillars of our strategy are:

- **Asset Light Growth and Network Effect:** spreading across geographies and deeper within key destinations
- **Digital Transformation:** we recognise its potential to drive revenue, operational efficiencies and improved decision-making across the organisation
- **Retail Acceleration:** our focus to bring in customers from across segments through our retail channels
- **Loyalty Expansion:** relaunching the loyalty programme and building a bigger, more robust loyal consumer base
- **Cost Structure:** Maintaining our industry-leading margins of 50% through a lean operating model
- **Capital Recycling:** of our owned network by diluting ownership while retaining majority shareholding and unlocking capital for future growth
- **Simplifying Group Structure:** FY23 has laid a robust foundation for our growth momentum, with a strong commitment to delivering exceptional guest experiences and embracing innovation in an evolving hospitality landscape. The outlook for LTH remains promising, with healthy occupancy rates and higher ARR. As the economy revives, we anticipate a sharp demand rebound and as the largest branded hotel player in the mid-segment, we are well-positioned to benefit and gain market share.

IN GRATITUDE

In conclusion, I would like to express my sincere thanks to all our employees for their determined efforts towards forging a resilient and agile organisation, and to all our stakeholders for their unstinting support over the years. I hope this support continues to lead us to greater heights. Together, we will continue to build LTH as a leading brand in the hospitality industry.

Warm regards,

Patanjali G. Keswani
Chairman and Managing Director
Lemon Tree Hotels Limited

The Foundation of Trust

Our corporate governance strategy prioritises stakeholder satisfaction and builds towards long-term growth. The Board and its committees play an important role in a robust governance framework and in addressing key environmental, social and governance issues. We emphasise ethical conduct and transparent disclosures and our company culture ensures accountability and integrity.

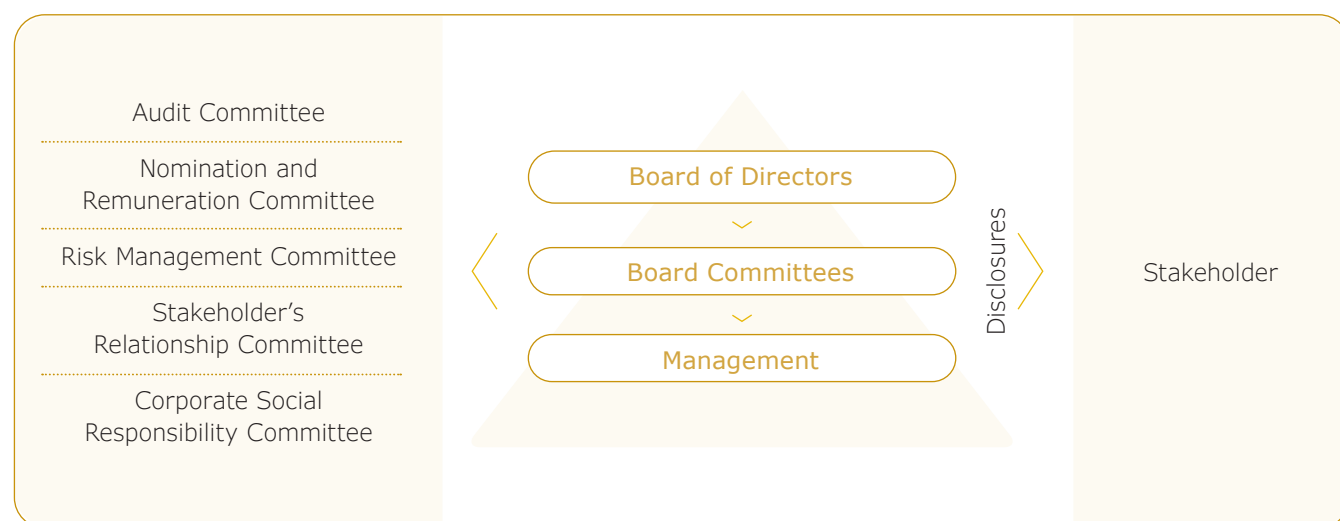


Aurum, the meeting room at Aurika, Udaipur

GOVERNANCE STRUCTURE

Our governance framework is designed to promote efficient and transparent business practices. Fuelled by our unwavering focus on sound governance principles,

we strive to create enduring value for all our stakeholders, i.e. our shareholders, employees, guests, business partners and society, at large.



57%
Independent Directors

14.3%
Women on the Board

80.8%
Average Board attendance

19
Total committee meetings held

BOARD OF DIRECTORS

Tenure	Member(s)
2-5 years	2
5-10 years	4
10+ years	1

BOARD'S EVALUATION

Our Board annually conducts a comprehensive evaluation of the performance of the Board of Directors (BoD) and its committees. This evaluation involves seeking feedback from the Directors and assessing various criteria such as strategy, performance management, risk management, governance and compliance, organisational health and talent management. Our Independent Directors conduct a separate evaluation of the performance of Non-Independent Directors, the Chairman and the Board as a collective entity. The process follows a predefined framework and criteria established by the Board to ensure a thorough and objective assessment of all Directors and the overall Board performance.

Additionally, for all related-party transactions, we seek approvals from the Audit Committee and Members of the Board in cases involving interested Directors or a conflict of interest. In such instances, the concerned Director refrains from participating in the Board's discussion on the item.

POLICIES

We have implemented a robust governance framework with codes and policies to promote effective stakeholder management and collaboration.

Environment

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

Social

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

Governance

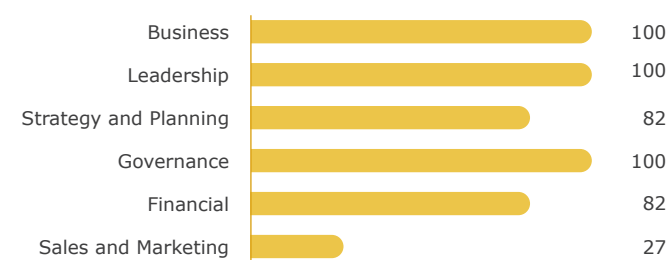
- Code of Conduct and Vigil Mechanism/Whistle Blower Policy
- Risk Management Policy
- Nomination and Remuneration Policy
- Dividend Distribution Policy
- Policy on Rotation of Auditors
- LTH Supplier Code of Conduct
- LTH Stakeholder Relations Policy
- LTH Anti-bribery and Anti-corruption Policy
- Determination of Material Subsidiary Policy
- Determination of Materiality of Events and Information Policy
- Code of Conduct for Regulation, Monitoring and Reporting of Trading by Insiders
- Preservation of Documents and Archival Policy
- Related Party Transaction Policy
- Policy on Board Diversity

Access our policies on our website here: <https://investors.lemontreehotels.com/#>

BOARD EXPERTISE

As the ultimate decision-making body, the Board plays a pivotal role in defining our company's strategic direction and in managing our affairs. At LTH, we believe that the diversity and expertise of our Board is essential to our success. By leveraging this collective wisdom, we can continue to deliver innovative solutions to our customers and create long-term value for stakeholders.

Board of Directors Skill Matrix (%)



CODE OF CONDUCT

At LTH, we uphold the principles of fairness, transparency and professionalism across all our operations and business activities. Our commitment to honesty, integrity and ethical behaviour is embedded in our culture, fostering an environment of trust. To guide our conduct, we have a comprehensive Code of Conduct that applies to all members of the Board, leadership, senior management and employees. It defines the highest standards of business and personal ethics, ensuring that everyone fulfils their duties and responsibilities with integrity. Aligned with our vision and values, the Code promotes ethical and transparent processes throughout our company, enabling us to manage our affairs in a responsible and accountable manner.

Corporate Governance

COMPLIANCE

In FY23, our BoD and senior management diligently ensured adherence to regulatory laws, guidelines and specifications pertaining to our business. There were zero occurrences of fines or non-monetary sanctions on the company from Stock Exchanges, SEBI, or any statutory authority in relation to capital markets violations. Also, we have had zero proceedings filed against us for anti-competitive acts or antitrust violations.

SUSTAINABILITY TRAINING AND AWARENESS

We prioritise sustainability training and awareness to foster a responsible work culture. We conduct tailored programmes for the BoD, Key Managerial Personnel (KMP) and employees, covering areas such as business strategy, digital transformation, risk management, ESG principles and safety measures.

Segment	Total number of training and awareness programmes held	Percentage of persons in respective category covered by the awareness programmes
BoD	4	100%
KMP	4	100%
Employees other than BoD and KMP	5	100% Induction 45% ESG 55% Front Office 101 80% Sensitisation 80% Security

ESG TEST FOR A NEW PARADIGM OF LEADERSHIP

As part of our leadership's vision for a responsible future, we have introduced the ESG test for all managers and supervisors, including the corporate team. This multiple-choice test is based on our ESG disclosures and serves to inform and align our leadership with our environmental, social and governance principles. Achieving 80% or higher is the goal for all managers and supervisors, empowering them to actively contribute to our mission of creating a positive impact on our organisation's sustainability journey. This short 15-minute test equips our leadership with the knowledge and mindset to drive positive change throughout the organisation and beyond.

In FY23, 100% of eligible managers participated with a **98%** passing rate.



GRIEVANCE MECHANISM

We have established a robust vigil mechanism overseen by the Chairman of the Audit Committee. In appropriate and exceptional cases, the Chairman directly addresses the grievances of victimisation from employees and directors who utilise the vigil mechanism to report genuine concerns.

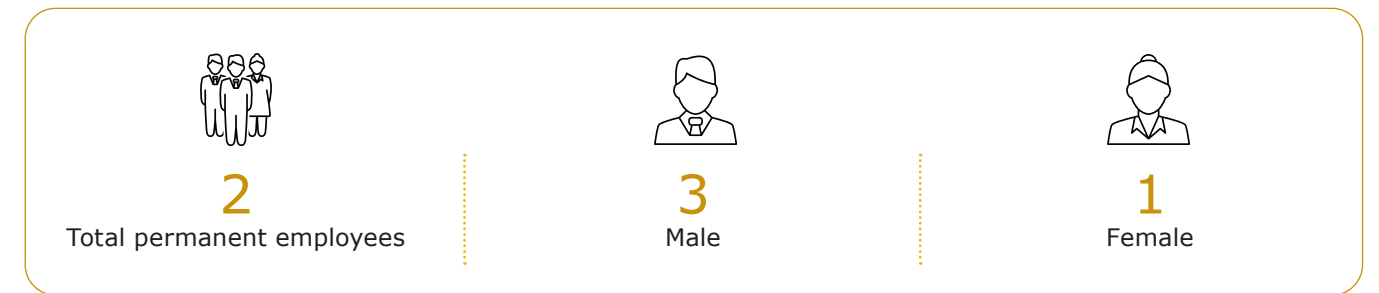
Additionally, we actively monitor and redress all security holders' grievances, including complaints related to non-receipt of allotment/refund, transfer/transmission of shares, share certificates, balance sheets, dividends and annual reports. Our company is dedicated to encouraging employees to voice their grievances through various forums, fostering a mutually beneficial relationship. In hotels with active trade unions, benefits are equitably provided to both union and non-union members as per collective bargaining agreements. Employees' right to associate with recognised trade unions is always respected at LTH.

DATA SECURITY GOVERNANCE

We prioritise data security governance with stringent cyber-security practices, ensuring the protection of stakeholders' personal information. Our secure database is designed to safeguard against loss, misuse, wrongful disclosure, alteration and destruction. Regular reviews of our security measures enable us to stay current with business, technology and regulatory changes, ensuring a robust and reliable data protection framework.

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

Employees Part of Associations or Union (%)



MEMBERSHIPS AND ASSOCIATIONS

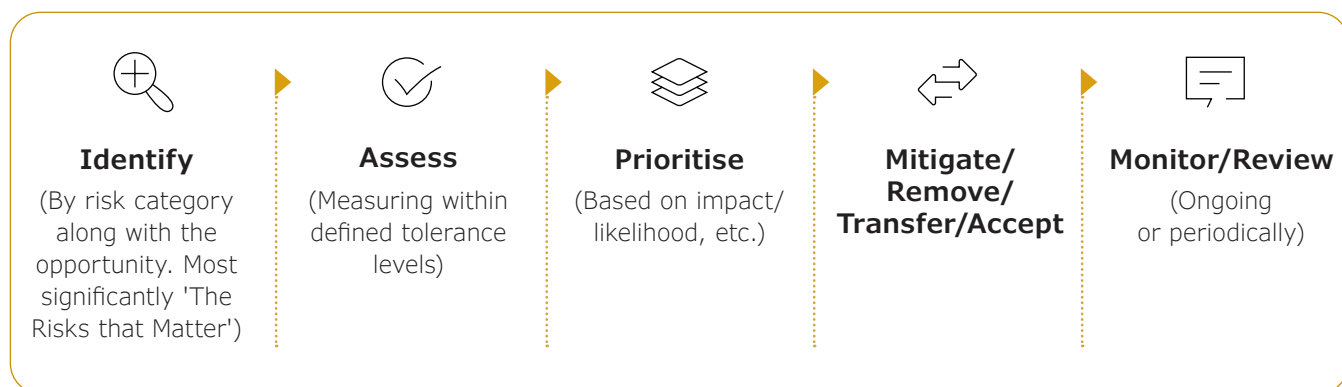
 Confederation of Indian Industry (CII)	 Hotel and Restaurant Association of Northern India (HRANI)	 Association of Domestic Tour Operators of India (ADTOI)
 Federation of Hotel & Restaurant Associations of India (FHRAI)	 Hotel and Restaurant Association of Western India (HRAWI)	 Indian Association of Tour Operators (IATO)
 Hotel Association of India (HAI)	 South India Hotels and Restaurants Association (SIHRA)	

Driving Value and Resilience

At LTH, we recognise the importance of balancing risk and return in the value creation process. Our governance strategy aims to effectively manage risk exposures in alignment with our business objectives. To build resilience and foster strategic growth, we integrate risk management practices into our short-term, medium-term and long-term plans.



RISK MANAGEMENT FRAMEWORK

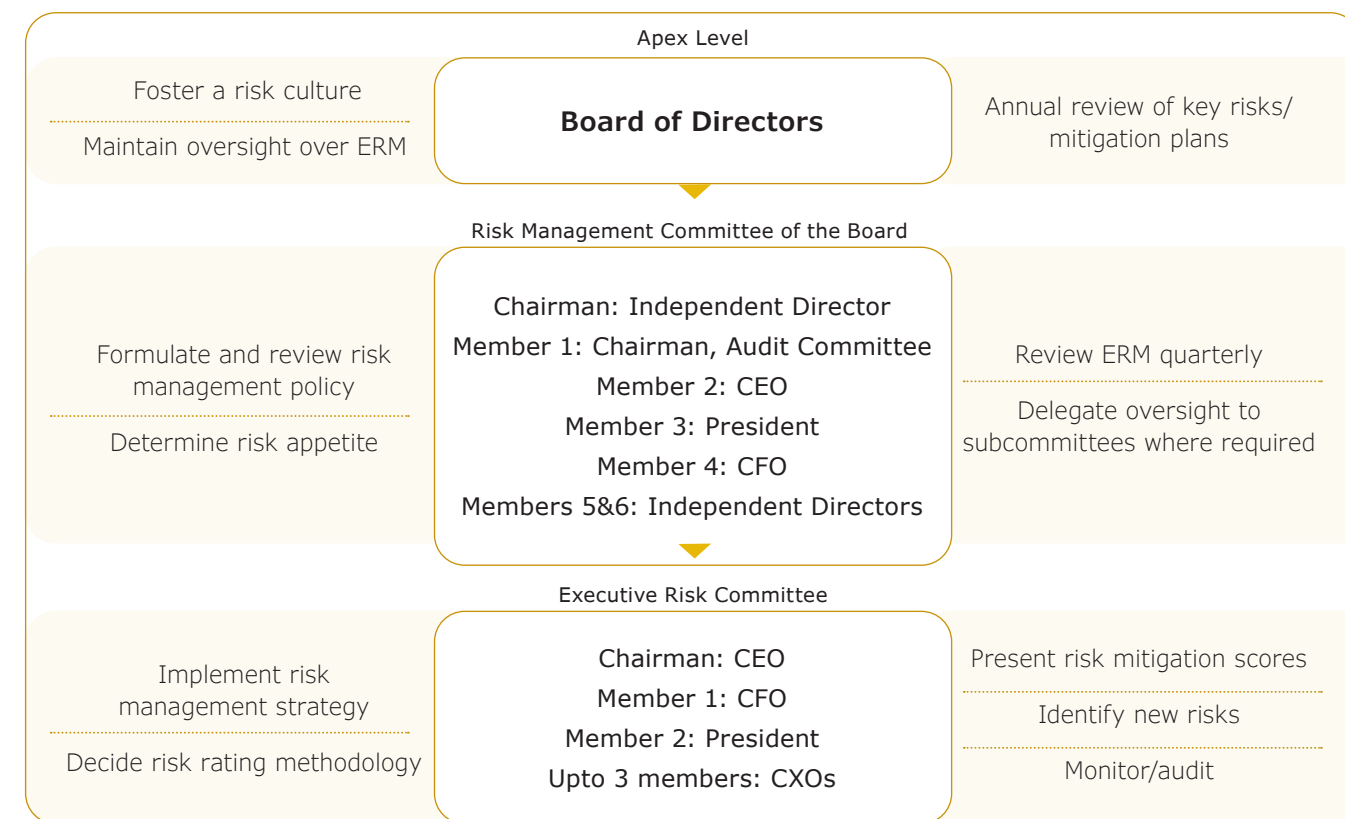


RISK GOVERNANCE AND OVERSIGHT

The BoD at LTH is accountable for overseeing the effectiveness of Enterprise Risk Management (ERM) and Internal Controls (IC).

They are supported by the Audit Committee (AC) and management team to ensure a robust risk oversight framework. This helps our company remain protected and target a healthy growth.

GOVERNANCE STRUCTURE



KEY RISK Preventable Risks



Preventable Risks

Market

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

Environment

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

Management Quality

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

Technology

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

Financial

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

Internal Controls

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

Health and Safety

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

Strategy Risks

Sustainability

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

Capital/Resources Allocation

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

Business Model Disruptions

- Emergence of disrupters rendering business model obsolescent/ineffective

3rd Party Dependence

- Disintermediation by a 3rd party
- Too high a dependence on a vendor or a customer
- Vulnerability to outside ecosystem shock

External Risks

Natural/Manmade Disaster

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

Regulatory

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

Technology

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

Economic

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

Environmental

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

Strategic Vision

LTH prioritises good corporate governance and has implemented strong control systems towards this. Our leadership values business integrity and fosters an inclusive environment where everyone can thrive. This enables us to create sustainable value for all our stakeholders.



Mr. Patanjali Govind Keswani
Chairman and Managing Director



Mr. Niten Malhan
Vice Chairman and
Lead Independent Director



Mr. Aditya Madhav Keswani
Director



Mr. Willem Albertus Hazeleger
Director



Mrs. Freyan Jamshed Desai
Independent Director



Dr. Arindam Bhattacharya
Independent Director



Mr. Paramartha Saikia
Independent Director

COMMITTEE DETAILS

Ⓒ Chairman Ⓜ 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

Mr. Patanjali Govind Keswani
Chairman and 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
- He was a Tata Administrative Services officer and associated with the Taj Group of Hotels for a period of 17 years, including as Chief Operating Officer, Business Hotels.
- He worked with A.T. Kearney Limited, New Delhi as Director.

Mr. Willem Albertus Hazeleger
Director



- Executive MBA from INSEAD in France
- Executive MBA from Tsinghua University School of Economics and Management in The People's Republic of China
- LLM from Utrecht University in the Netherlands
- Served as the Chief Executive Officer for Asia Pacific of APG Asset Management, one of the largest institutional investors globally.
- Worked as a senior securities and capital markets lawyer with global law firms Linklaters and Allen & Overy
- He has experience in the field of Investment Management

Mr. Niten Malhan
Vice Chairman and
Independent Director



- Bachelor's Degree in Computer Science and 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.

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
- She served as a Partner in Amarchand & Mangaldas & Suresh A. Shroff & Co.
- She has over 30 years of experience across various legal fields.

Mr. Aditya Madhav Keswani
Director



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

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 his Doctorate of Engineering
- He has served as the Senior Partner and Director of Boston Consulting Group (BCG), India and the co-leader of Bruce Henderson Institute, BCG's thought leadership institution.
- He has over 30 years of experience in the industry and consulting with a focus on the industrial sector.

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
- He was the Chief Executive Officer (CEO) of J. Walter Thompson Sdn. Bhd., Malaysia.
- He served as the CEO of Iris Worldwide Integrated Marketing Private Limited.
- He also served as CEO of Publicis India.
- He has over 30 years of experience across the fields of marketing and brand development.

Leading with Purpose



Mr. Vikramjit Singh
President



Mr. Kapil Sharma
Chief Financial Officer



Mr. Davander Tomar
EVP – Corporate Affairs



Mr. Inder Pal Batra
Senior Vice President –
Finance



Ms. Harleen Mehta
Senior Vice President –
Sales



Ms. Aradhana Lal
Senior Vice President –
Sustainability & ESG



Mr. Jagdish Kumar Chawla
EVP – Projects & Engineering
Services



Mr. Vilas Pawar
CEO – Franchise
Business



Mr. Mahesh Aiyer
CEO – Carnation Hotels
(the management subsidiary
of LTH)



Mrs. Ritu Ranjan
Senior Vice President and
Chief Design Officer



Mrs. Sareena Kochar
Senior Vice President –
Housekeeping



Mr. Rajesh Kumar
Senior Vice President –
Human Resources



Mr. Sumant Jaidka
Senior Vice President –
Operations



Mr. Sameer Singh
Senior Vice President –
Operations



Chef Rajeev Janveja
Senior Vice President and
Corporate Chef



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

Management Team

Mr. Vikramjit Singh

President



- Bachelor's Degree in Commerce from Sri Ram College of Commerce, University of Delhi
- Advance Management Programme from Harvard
- Postgraduate Diploma Degree in Hotel Management and Administration from the Taj Group of Hotels
- Over 25 years of experience in the hospitality industry

Mr. Kapil Sharma

Chief Financial Officer



- Bachelor's Degree in Commerce from the University of Delhi
- Qualified Chartered Accountant
- Over 25 years of experience across the fields of accounting, financing and investing

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
- He has over 37 years of experience in the hospitality industry

Mr. Inder Pal Batra

Senior Vice President – Finance

- Chartered Accountant and a Company Secretary
- Over 25 years of experience across accounts and finance in the hospitality and FMCG sectors

Ms. Harleen Mehta

Senior Vice President – Sales

- Degree in Hotel Management from IHM, Gwalior
- MBA from Symbiosis Institute of Management Studies, Pune
- Over 20 years of experience in the hospitality industry across reservations, front office operations, revenue management, sales and distribution

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
- TEDx speaker
- Over 30 years of experience in Sales, Marketing, Corporate Communications and Sustainability/ESG across hospitality and FMCG sectors

Mr. Jagdish Kumar Chawla

EVP – Projects & Engineering Services

- Diploma Degree in Electrical Engineering from Pusa Polytechnic, Pusa, New Delhi
- Over 47 years of experience across engineering, construction and operations

Mr. Vilas Pawar

CEO – Franchise Business

- Hotel Management Graduate of IHM, Mumbai
- Over 35 years of experience in the hospitality industry

Mr. Mahesh Aiyer

CEO – Carnation Hotels (the management subsidiary of Lemon Tree Hotels)

- Mechanical Engineer from Thrissur, Kerala
- Master's Degree in Business Administration from Madras University
- Over two decades of experience in the hospitality industry

Mrs. Ritu Ranjan

Senior Vice President & Chief Design Officer

- Graduated from Lady Shri Ram College, New Delhi
- Over 10 years of experience

Mrs. Sareena Kochar

Senior Vice President – Housekeeping

- Post Graduate Degree in Hotel Management from All India Institute of Management Studies, Chennai
- Certification as a 'mentor' from XLRI Jamshedpur
- Over 37 years of experience in the hospitality industry

Mr. Rajesh Kumar

Senior Vice President – Human Resources

- Post Graduate Degrees in Personnel Management and Industrial Relations, as well as Public Administration from Himachal Pradesh University
- Over 22 years of experience in the hospitality industry

Mr. Sumant Jaidka

Senior Vice President – Operations

- Graduate of the Salzburg School of Hotel Management, Austria
- Over 30 years of experience in the hospitality industry

Mr. Sameer Singh

Senior Vice President – Operations

- Oberoi Centre of Learning & Development (OCLD)
- Bachelor's Degree in Hotel Management from Robert Gordon University
- Over 20 years of experience in hotel operations and revenue management

Chef Rajeev Janveja

Senior Vice President and Corporate Chef

- Graduate from IHM Lucknow
- Over 40 years of experience in the hospitality industry

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 18 years of experience in legal and secretarial services

COMMITTEE DETAILS

Member

Risk Management Committee

Seizing Opportunities, Driving Success

The hospitality industry experienced ups and downs during the pandemic but showed resilience to make a remarkable comeback in FY23. Domestic travel played a key role in the sector's recovery.

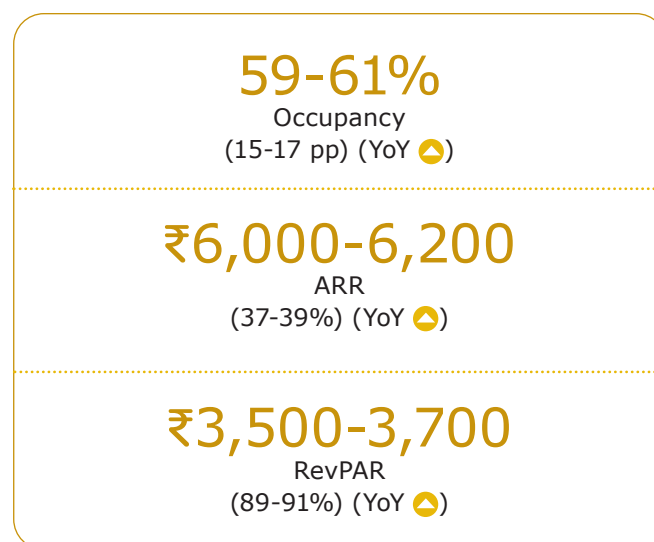
Aligning with this trend, LTH catered to changing consumer preferences, ensuring an enjoyable experience for guests.

INDUSTRY PERFORMANCE

The travel and tourism industry experienced significant fluctuations over two years due to evolving travel restrictions and the undeniable health risk associated with a global event of this intensity. This had a far-reaching impact on hospitality businesses worldwide. According to the Ministry of Tourism, the share of India's travel and tourism industry in the country's gross domestic product (GDP) declined from approximately 5.2% in 2019-20 to a mere 1.1% in 2020-21.

In 2022, the industry made a significant comeback, driven by the successful vaccination drive within the country and pent-up demand for leisure travel and weddings, which contributed to the steady growth in average room rates (ARRs) and helped recover some of the losses incurred during the pandemic. Domestic travel emerged as the dominant force, with Indians opting for road trips, staycations and workcations. Leisure travellers were venturing into lesser-explored destinations nationwide. Additionally, although slow, corporate travel also bounced back, further bolstering the overall recovery of the industry.

Key Metrics – India 2022



Source: HVS Anarock Report

In 2022, mid-scale hotels continued to dominate the market, accounting for 48% of all signed properties. The hotel industry experienced a significant structural shift, with substantial investments directed towards expanding the mid-scale segment to cater to the needs of the growing middle-class.

experience a substantial increase in demand, particularly in the cities where the meetings will take place.

Market Positioning by Properties

Year	Economy (%)	Mid-scale (%)	Upscale (%)	Luxury (%)
2022	11	48	34	7
2021	11	55	25	8
2020	13	49	31	7
2019	20	51	23	6

Source: HVS Anarock Report

With over 200 G20 meetings scheduled across 55 destinations in India during its G20 presidency till November 2023, the Indian hotel sector is expected to

KEY TRENDS IMPACTING THE INDUSTRY

Key Trend	Our Response
Staycations to Remain Attractive	
Staycations have seen a rise due to their cost-effectiveness and the convenience of taking short breaks close to home. Hotels are also catering to Work From Hotel (WFH) guests by launching attractive offers in a growing hybrid work scenario.	Staycation packages and competitive rates are offered for short breaks in nearby destinations.
Personalised Guest Experience	
The hospitality industry is embracing personalisation to meet the preferences of today's travellers, especially millennials and Gen Zs. Hotels use data and technology to offer customised services such as personalised activity recommendations and room choices, to cater to discerning travellers.	Customer preferences are tracked and repeat visits by a guest are welcomed with recognition, and warm, friendly and personalised services.
Rise of 'Bleisure' Travel	
Post the pandemic, flexible work arrangements have transformed business travel and has seen a rise in 'bleisure' trips and workcations. Business /hotels now offer tour packages and wellness breaks to cater to executives blending work and leisure along with their partners or families.	All LTH's business hotels today cater to leisure and bleisure travellers and guide guests to great local experiences.
Shift Towards Sustainable Practices	
The hospitality industry embraces sustainability with eco-friendly practices influenced by eco-conscious travellers and India's net zero carbon goal. Hotels are adopting green energy, energy efficiency and sustainable sourcing to minimise their carbon footprint.	On the sustainability front, LTH currently sources 10-15% of its energy from renewable sources. We have received IGBC certifications for 25% of our owned/leased hotels and have implemented several initiatives that have resulted in a saving of 8-10% of energy and water. These aspects become a reason for environmentally conscious guests to choose LTH hotels for their stay.
Advancements in Technology	
The hospitality industry adopts technology for improved customer experience, where mobile apps simplify reservations and accessibility to experiences. Data intelligence enables personalised marketing and virtual and augmented reality offer immersive features such as virtual hotel tours and destination explorations.	During the pandemic, LTH moved over to digital menus, ordering and bill payment, thereby simplifying the process for our guests. We have uploaded 360-degree virtual tours for our key hotels, to enable our teams to conduct digital show-arounds for guests.

Sowing Growth, Cultivating Value

INPUTS

<p>Financial Capital</p> <p>Equity: ₹1,413.42 Crores Gross Debt: ₹1,746 Crores</p>	<p>Manufactured Capital</p> <p>No. Of Hotels: 88¹ Total Gross Asset Base: 40+2³</p>	<p>Human Capital</p> <p>Employees: 3,225² Training Man Hours per Employee: 16.28 Employees Trained: 2,530</p>	<p>Social and Relationship Capital</p> <p>No. of Suppliers: 16,735 CSR Expenditure: ₹7.15 Lakhs</p>	<p>Intellectual Capital</p> <p>Trademarks Registered: 160</p>	<p>Natural Capital</p> <p>Energy Consumption: 160457.25 GJ Emission Intensity: 0.11191 TCO₂e/sq m Water Consumption: 742309 KL</p>
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OUR ACTIVITIES

ESG Vision 2026

Page 44

Business

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

Strategic Action

- Growth
- Strengthening Balance Sheet
- Risk Management
- Future-ready
- Accelerating ESG Efforts

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OUTPUTS

<ul style="list-style-type: none"> Enhanced Shareholder Value Delivered Profitable and Consistent Growth 	<ul style="list-style-type: none"> Provided a High-Quality Product, Sustainable Services and Memorable Experiences Significant Value to Customers 	<ul style="list-style-type: none"> Highly Committed Workforce Improved Retention Recognised as a Great Place To Work 	<ul style="list-style-type: none"> Improved Relationships with Customers, Business Partners and Community 	<ul style="list-style-type: none"> Improved Brand Value Strategic Transition to Digital Transformation 	<ul style="list-style-type: none"> Enhanced Positive Impact on the Natural Environment
<p>Total Revenue: ₹878.6 Crores EBITDA*: ₹455.93 Crores PAT: ₹140.54 Crores EPS: ₹1.45 RoCE: 11.20%</p> <p><small>*EBITDA is before a stamp duty expense of ₹4.8 Crores</small></p>	<p>Best-in-class Customer Service and a Higher Base of Loyal Customers Loyalty Programme Members: 15.79 Lakhs Total Number of Stays: 807,584</p>	<p>Turnover Rate²: 45.20 Diversity: 13% Employee Satisfaction Score : 87% (internal) 93% (external)</p>	<p>Retail Net Promoter Score: 77%</p>	<p>Bookings through Digital Channels: 1,318 Rooms Per Day (RPD) through Brand Website and Online Travel Agents</p>	<p>Share of Renewable Energy: 10.97% Reduction in Energy Intensity over FY19 baseline: 10% Reduction in Water Intensity over FY19 baseline: 15% Reduction in GHG Emissions Intensity over FY19 baseline: 19% Retired IT Assets Reused and Recycled: 3,097 kg/year</p>

OUTCOMES

1 Owned/leased, managed and franchised hotels 2 Owned/leased hotels only 3 Under development

Raising the Bar

Our strategic priorities have helped us develop a competitive edge for LTH within the industry, while consistently delivering superior returns, and sustainable products and services.

Growth

Launch new hotels in tier-I, tier-II and tier-III cities

Focus on revenue and profitability from operations and on new acquisitions

Progress in FY23

- The managed inventory was ~3,300 rooms, while the total inventory reached 8,382 rooms.
- Our presence in the Mumbai market is expanding with the upcoming opening of the 669-room owned Aurika, Mumbai Skycity in CY23.
- As of 31st March 2023, our operational inventory comprised 88 hotels with 8,382 rooms and our pipeline comprised 42 hotels with 3,285 rooms.
- Over the past two years, we have been focused on cost rationalisation and ARR recovery on a like-to-like basis. This resulted in an impressive expansion of EBITDA* margin percentage, increasing to 51.9% in FY23 compared to 35.5% in FY22.

Priorities for FY24

- Stable 50% EBITDA*

Strategic Priorities



Capitals Impacted



Strengthening Balance Sheet

Strategic capex deployment to increase efficiencies and higher RoE

Our key priority continues to be strengthening our financial position by reducing debt and increasing cash flows

Progress in FY23

- A sum of ₹174.55 Crores was invested in Aurika, Mumbai Skycity and Lemon Tree Mountain Resort, Shimla as capital expenditure.
- The debt-to-equity ratio in FY23 increased to 1.24 from 1.21 in FY22.
- Our cash profit in FY23 stood at ₹237.1 Crores vs. a negative cash profit of ₹33.0 Crores in FY22.
- Furthermore, reductions in our average cost of borrowings resulted in a 108 bps increase over FY22.

Priorities for FY24

- Debt-free
- Significant cash flow

Strategic Priorities



Capitals Impacted



Future-ready

Digital transformation for better reach, superior customer experience and loyalty, higher business efficiency

Create a productive workforce by focusing on talent management

Progress in FY23

Leveraging technology for improved customer outreach and effectiveness, as well as to boost business efficiency. LTH currently uses Protel, Touche and SAP. The aim of the digital transformation initiative is to align the digital ecosystem and enable seamless interaction between platforms.

The enhanced data available will help in decision-making for:

- Talent management and key result area (KRA) system
- Optimising training programmes
- Elevating the leadership development process

Priorities for FY24

- Automated processes
- Data driven decisions
- Scalable tech stack

Strategic Priorities



Capitals Impacted



Accelerating ESG Efforts

Thriving communities and sustainable business growth with the least adverse environmental impact. Driving the ESG Vision and targets for 2026 with a governance structure and annual implementation plans

Progress in FY23

- Renewable power agreements for more owned/ leased hotels
- Reduced power and water usage per unit occupancy
- Investments made towards technological initiatives for energy efficiency; bottled water (purified water in sanitised glass bottles) that replaces the use of plastic water bottles

Priorities for FY24

- Moving towards 100% certified green buildings (owned/leased hotels)
- Ecologically sustainable operations
- Diversity and inclusion
- High-quality governance and Board oversight

Capitals Impacted



Asset Light Growth



Digital Transformation



Retail Acceleration



Loyalty Expansion



Capital Recycling

For the progress for Cost structure, refer to Expenses in MD&A on page 106

*EBITDA Margin % for FY23 and FY22 is before a stamp duty expense of ₹4.8 Crores and ₹15.3 Crores, respectively

Driving Inclusive Decision-Making

Our success and sustainability depends on the support extended by our stakeholders. Understanding and addressing their needs is crucial for our success. We keep them engaged through regular dialogue and we keep track of market trends and global developments to estimate future requirements.



EMPLOYEES

Why we need to engage

Our employees create guest experiences that exceed expectations. The service delivery by our employees drives the LTH brand.

How we engage

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

Frequency of engagement

- Weekly
- Monthly
- Quarterly
- Annually

KPIs

- **16.28** training man hours per employee
- **13%** ODI employees out of total no. of employees



CUSTOMERS

Why we need to engage

Our customers are key stakeholders who choose LTH as their preferred hotel brand and experience our service through multiple touchpoints. Our revenues are directly linked with the trust and relationships that we nurture with them. Our brand offering evolves based on their ongoing feedback.

How we engage

- Direct feedback from our customers: Guest Satisfaction Tracking System (GSTS) at hi@lemontreehotels.com
- Online Relationship Management (ORM) on digital platforms, including Tripadvisor, Makemytrip.com, Booking.com, etc.
- E-mailers and newsletters

Frequency of engagement

- Daily
- Need-based

KPIs

- Upgradation of the data privacy policy
- **77%** - Retail NPS
- **87%** positive feedback in customer satisfaction surveys



REGULATORY BODIES/GOVERNMENT

Why we need to engage

We seek the support of regulatory bodies and the central/state/local governments through ongoing engagement. The goal is to comply with applicable laws and regulations.

How we engage

- One-on-one meetings
- Government portals and emails

Frequency of engagement

- Quarterly

KPIs

- **Zero** incidents of non-compliance



INVESTORS AND SHAREHOLDERS

Why we need to engage

Our investors and shareholders are interested in the success and sustainability of our business. They have established the foundation by providing capital for our business to grow. The motivation to meet/exceed the expectations of our investors inspires us to continuously improve.

How we engage

- Quarterly presentations
- Annual meetings
- Feedback on annual disclosures

Frequency of engagement

- Quarterly
- Need-based

KPIs

- **111%** revenue growth in FY23
- Total shareholder return of **0.10** (return on equity ratio)



OWNERS AND PARTNERS

Why we need to engage

Owners and partners who own hotels that are managed and franchised by LTH are also responsible for maintaining our brand standards. This asset-light growth model is critical to our business success as it ensures speedy geographic penetration.

How we engage

- Regular engagement
 - Bilateral meetings
- Frequency of engagement**
- Need-based
 - Quarterly
 - Annually

KPIs

- Portfolio expansion: Added **six new hotels** in FY23



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.

How we engage

- Informal interactions
 - Periodic reviews
 - Annual supplier audits
- Frequency of engagement**
- Annually
 - Need-based

KPIs

- **16,361** total local suppliers



CONTRACTORS

Why we need to engage

We are also supported by an outsourced workforce in providing quality services to our customers. This makes it critical for us to engage with our contractors who ensure the availability of trained staff.

How we engage

- Informal interactions
 - One-on-one meetings
 - Periodic reviews
- Frequency of engagement**
- Annually
 - Need-based

KPIs

- **Zero** cases of sexual harassment
- **Zero** cases of discrimination



ONLINE TRAVEL AGENCIES/PORTALS

Why we need to engage

Online travel agencies support us in customer acquisition along with providing us insights into consumer behaviour and 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 OTAs
- Frequency of engagement**
- Daily
 - Need-based

KPIs

- **72** Tripadvisor Travellers' Choice Awards



NGOs

Why we need to engage

NGOs help us deliver on our commitment to being an equal opportunity employer by supporting us in selecting and training candidates with disabilities and those from economically/socially marginalised backgrounds. Both segments comprise ODIs. Moving forward, they will play a pivotal role in supporting the designing and implementation of our CSR initiatives.

How we engage

- Regular meetings
 - Specific engagement events
 - Annual reports
- Frequency of engagement**
- Annually
 - Need-based

KPIs

- Trained and upskilled **50** employees with intellectual/developmental disability or autism (in the post-pandemic environment)



LOCAL COMMUNITIES

Why we need to engage

We engage with local communities to understand their needs. This helps us deliver greater impact through curated social welfare programmes.

How we engage

- Engagement through NGO partners
- Frequency of engagement**
- Quarterly
 - Annually

KPIs

- CSR spend of **₹7.15 Lakhs**



INDUSTRY ASSOCIATIONS

Why we need to engage

Industry associations serve as a platform for us to understand business trends and opportunities and collaborate with our peers in the travel and tourism industry to provide inputs to relevant government bodies regarding policy formulation.

How we engage

- Multilateral meetings
- Frequency of engagement**
- Annually
 - Need-based

KPIs

- N.A.



MEDIA

Why we need to engage

We leverage our relationship with media for brand building, engagement with marginalised communities on different initiatives as well as release press notes on hotel launches, special promotions and offers.

How we engage

- Press releases
 - Press notes and briefings
- Frequency of engagement**
- Quarterly
 - Annually

KPIs

- **33** press releases
- **49** key media coverage

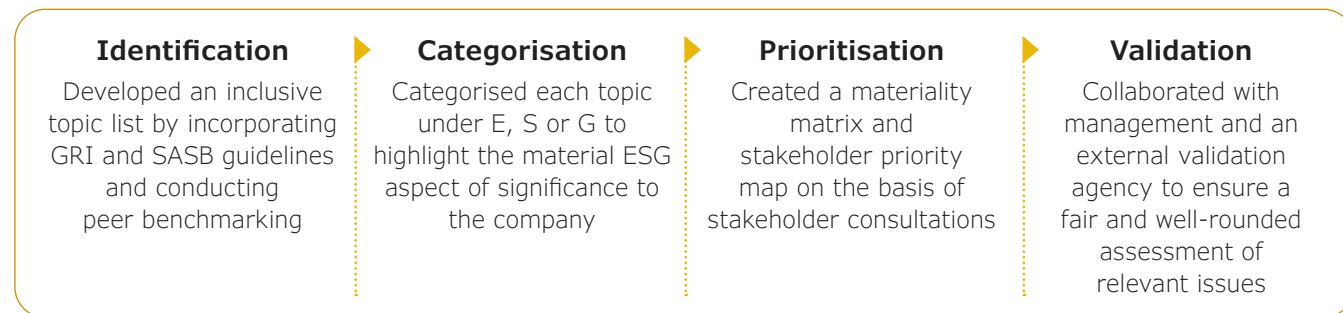
Addressing Shared Concerns



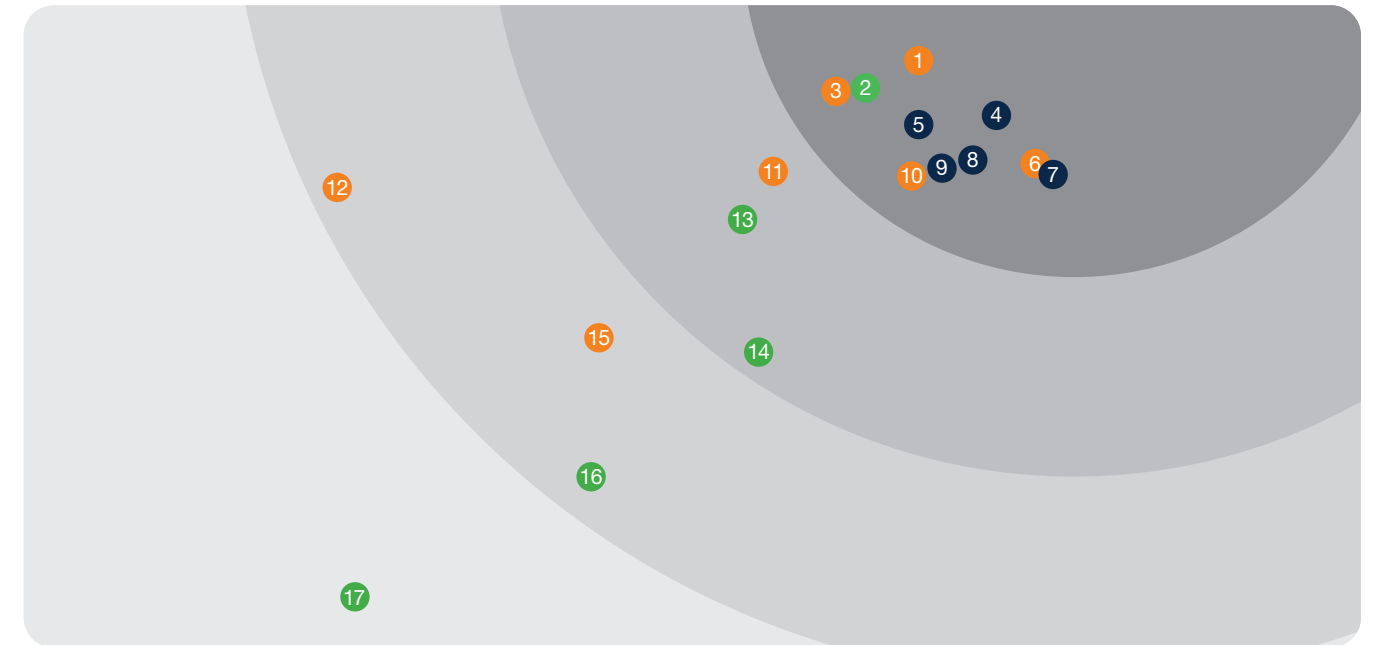
As a responsible and sustainable business, it is crucial to analyse and address the significant factors that affect our performance, and impact stakeholders' perceptions and decisions. Through continuous engagement with our stakeholders, we identify material issues that shape our strategy development, corporate governance and reporting procedures.

We conducted the materiality assessment in FY21, based on GRI and SASB guidelines. We assessed stakeholder priorities and identified critical issues for our business. Employing a quadripartite approach, we ensured comprehensive coverage of material sustainability issues, enabling us to make informed decisions and drive positive impact.

MATERIALITY PROCESS



MATERIALITY MATRIX



Material Topics and Relevance to Stakeholders

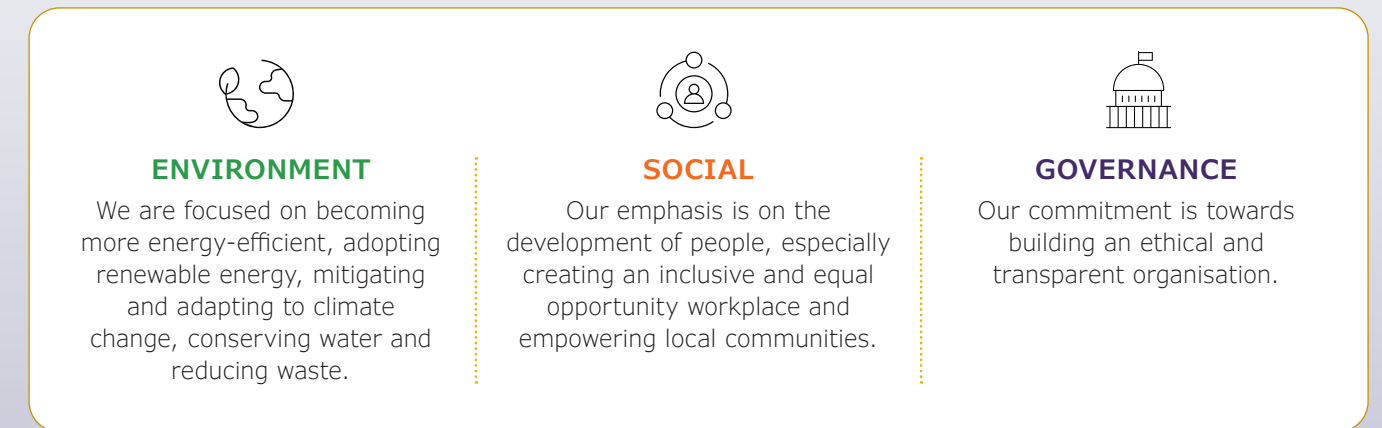
Material Topics	Relevance for our stakeholders	Material Topics	Relevance for our stakeholders
1 Health and Well-Being	👤👥	10 Diversity and Inclusion	👤👥🏠🌱🎥
2 Water Management	👤🏠🌱🎥	11 Talent Management and Retention	👤🏠🌱
3 Commitment to Human Rights	👤🏠🌱🎥👥	12 Sustainable Supply Chain	🌱👤🛫
4 Regulatory Compliance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

👤 Employees	🏠 Regulatory Bodies/ Government	🏠 Owners and Partners	👤 Contractors	🌱 Local Communities	🎥 Media
👥 Customers	🌱 Investors and Shareholders	🛫 Suppliers and Vendors	🏠 NGOs	🏠 Industry Associations	🛫 Online Travel Agencies (OTAs)/Portals

Reshaping Business through Sustainability

At the centre of our ESG approach is our commitment to creating sustained value for all stakeholders. We have a strong commitment to ethical business practices and strive to positively impact our suppliers, community workforce and society at large. Our business strategy incorporates significant ESG aspects, which are actively applied year-round in our operational and upcoming hotels.

Our ESG Vision FY26 aligns with the United Nations' Sustainable Development Goals (UN SDGs) and we have established specific targets to realise our aspirations.







Driving Responsible Growth





Swimming Pool at Aurika, Coorg




ENERGY CONSUMPTION

Target FY26	SDGs Targeted	Progress in FY23	Status
15% Reduction in energy consumption (intensity based) over FY19 baseline	 Target 7.3  Target 12.2  Target 12.8  Target 13.2	10% Reduction in energy consumption (intensity based) over FY19 baseline	On track





RENEWABLE ENERGY

Target FY26	SDGs Targeted	Progress in FY23	Status
50% Renewable energy usage	 Target 7.2  Target 12.2	10.97% RE usage, out of total energy consumption. The kWh supplied to us through Open Access (OA) was unstable through the year and was down to zero in some months in Delhi and Maharashtra	Delayed


GHG EMISSIONS

Target FY26	SDGs Targeted	Progress in FY23	Status
40% Reduction in GHG emissions (intensity based) over FY19 baseline	 Target 7.3  Target 12.2  Target 12.8	19% Reduction in GHG emissions (intensity based) over FY19 baseline. Reduced RE usage impacted GHG emissions	On track





WATER

Target FY26	SDGs Targeted	Progress in FY23	Status
10% Reduction in water consumption (intensity based) over FY19 baseline	 Target 6.4  Target 12.2  Target 12.5  Target 13.2	15% Reduction in water consumption (intensity based) over FY19 baseline	On track



GREEN BUILDINGS

Target FY26	SDGs Targeted	Progress in FY23	Status
100% Certified green buildings (hotels)	 Target 11.b	25% Certified green buildings	On track



DIVERSITY AND INCLUSION

Target FY26	SDGs Targeted	Progress in FY23	Status
30% ODIs in the workforce	 Target 8.5  Target 8.6  Target 8.8  Target 10.4	13% ODIs in the workforce	On track

GENDER DIVERSITY

Target FY26	SDGs Targeted	Progress in FY23	Status
15% Women across the workforce	 Target 8.5  Target 8.8	14% Women in the workforce	On track
30% Women Directors		14.3% Women on the Board	

SUSTAINABLE DEVELOPMENT

Target FY26	SDGs Targeted	Progress in FY23	Status
N.A.	 Target 4.7  Target 16.b	₹171,763,901 Investment for sustainable development	On track

Footnote

- The FY19 data for Red Fox Hotel, Dehradun, is from October 2018 to March 2019, i.e., 6 months only, as the hotel opened in October. The data for Lemon Tree Premier, Pune is from January 2019 to March 2019, i.e., 3 months only, as the hotel opened in January. This impacts the comparison of FY23 to FY19
- In the GHG calculations of FY23 and FY19, we have not included emissions from refrigerants as well as the consumption of petrol, HSD and CNG of owned cars, as this data was not available in FY19

PEOPLE

Caring for our people, communities and other stakeholders is a part of our company culture and is intertwined with our everyday operations. We ensure that all our decisions and actions impact our stakeholders positively.

MATERIAL ISSUES IMPACTED

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

STAKEHOLDERS IMPACTED



UN SDGs



FY23 KEY PERFORMANCE HIGHLIGHTS

14.3%	17%	250	1:1
Women at Managing Director and Director level	Women in senior roles	Employees with disabilities	Male:Female wage ratio



Engaging With Care and Responsibility

At LTH, we are driven by the shared vision of empowering communities and making a lasting impact, right from our dedicated employees who deliver exceptional services to our valued consumers, to our long-term partnerships with suppliers and partners.



Aurika, Coorg

OUR PEOPLE

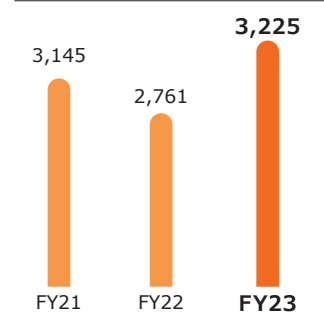
We prioritise employee well-being and foster an inclusive and diverse work culture. We promote talent through upskilling and cross-training programmes and provide equal opportunities without discrimination. Our Human Rights Policy emphasises respecting and protecting the rights of every individual. Our focus on health, safety and employee engagement further reinforces our commitment to a building an energising workplace.

OUR PEOPLE STRATEGY

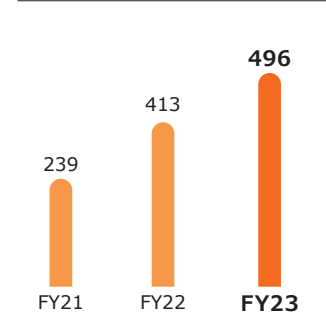
We follow a flat organisational structure, fostering individual involvement and team spirit by minimising hierarchical gaps between leaders and the team members. With a diverse workforce, we prioritise talent irrespective of gender, special needs or background. Our strategic recruitment approach emphasises hiring young talent at various levels, bringing in fresh perspectives and contributing to the continuous growth and development of the organisation.

Total Employees by Contract Type

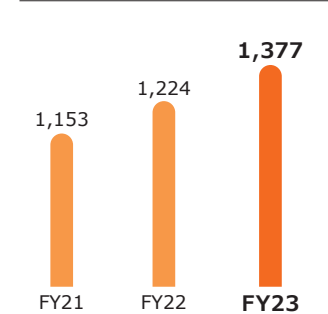
Full-time Employees



Contractual Employees



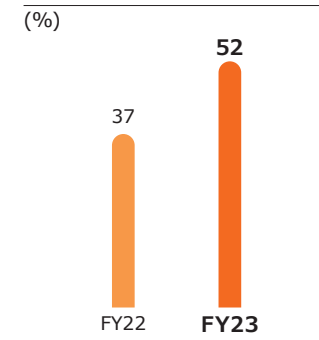
Non-employed Workers



Employee Breakup by Levels and Gender

	FY21			FY22			FY23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior Management	48	7	55	42	8	50	52	11	63
Mid-Management	639	64	703	590	51	641	664	69	733
Executive	457	49	506	367	31	398	384	43	427
Associate	1,536	187	1,723	1,428	163	1,591	1,690	212	1,902
Trainees/Apprentices	122	36	158	73	8	81	64	36	100
Total	2,802	343	3,145	2,500	261	2,761	2,854	371	3,225

New Hires



EMPLOYEE CARE INITIATIVE: I AM LEMON TREE

Employee care is at the heart of our 'I Am Lemon Tree' initiative, through which we continuously strive to connect with our people. This programme, spanning all hotels and work levels, instils a sense of pride, ownership and customer centricity. As part of the Champion's Code of Affirmations, we embrace warm greetings, maintain attractive spaces and uphold a cheerful and refined demeanour. Treating individuals uniquely but with equal importance, inspiring confidence and taking ownership as solution providers are integral to our values. We excel in communication, knowledge, persuasion and in winning back our guests, all of which contribute to our commitment to excellence.

Champion's Code of Affirmations

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

Diversity and Inclusion

We have remained dedicated to being an equal opportunity employer for close to two decades and actively foster diversity and inclusion.

Our goal is to provide equitable employment opportunities to ODIs, including Employees with Disability (EwDs) and those from Economically/Socially Marginalised backgrounds (EcoSocs).

By integrating ODIs into our workforce, we empower them to lead fulfilling lives with dignity.

Our diversity and inclusion policy seeks to cultivate a culture of trust, commitment and sustainable socio-economic development among our employees. Further, we continuously maintain a male:female wage ratio of 1:1.

FY26 TARGET

30%
ODIs
in the workforce

15%

Women across the workforce

FY23 PROGRESS

13%
ODIs in the workforce

14%

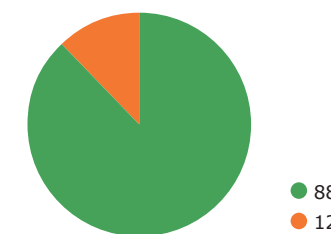
Women across the workforce



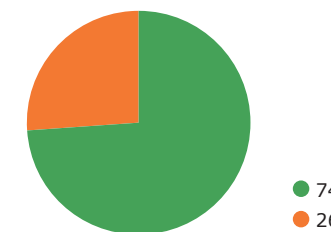
EMPLOYEE DISTRIBUTION BY AGE AND GENDER

	FY21			FY22			FY23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 years	1,323	209	1,532	1,067	158	1,225	1,340	229	1,569
30-50 years	1,402	127	1,529	1,345	96	1,441	1,392	134	1,526
> 50 years	77	7	84	88	7	95	122	8	130
Total	2,802	343	3,145	2,500	261	2,761	2,854	371	3,225

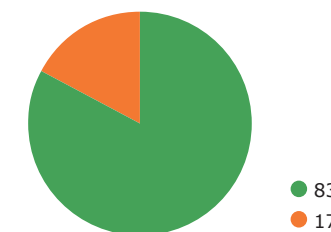
Total Employee Gender Diversity in FY23 (%)



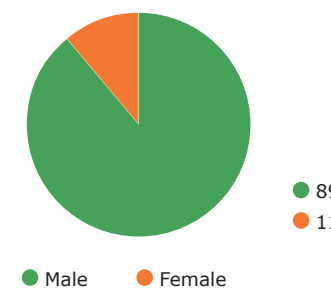
Gender Diversity at Corporate Offices in FY23 (%)



Gender Diversity at Senior Level in FY23 (%)



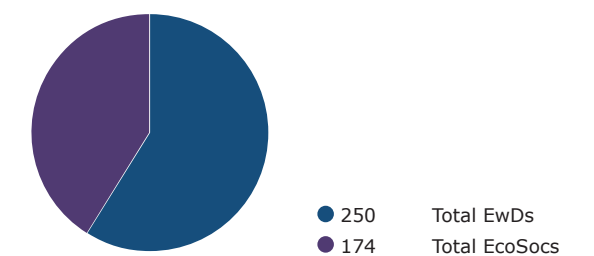
Gender Diversity at Hotels in FY23 (%)



EMPLOYEES WITH DISABILITY COUNT IN FY23

Autism	4
Down Syndrome (DS)	12
Hearing Impairment (HI)	2
Locomotor Handicap (LH)	1
Orthopedically Handicapped (OH)	33
Speech and Hearing Impaired (SHI)	191
Speech and Language Impairment (SL)	6
Visually Impaired (VI)	1

Number of ODI Employees



13%
Total ODI Workforce

EMPOWERING SPECIAL MINDS, FOSTERING INCLUSIVE LEARNING

Our co-developed inclusive internship model, i.e. the Intellectual and Development Disability (IDD) internship programme and the Autism internship programme, are in collaboration with specialist NGOs and benefit young adults with IDD (Muskaan PAEPID in Delhi/NCR; Mann Centre in Mumbai; Diya Foundation in Bengaluru) and autism (Action for Autism in Delhi/NCR; Heritage Xperiential School and Evoluer Solutions in Gurugram). The programme follows a 'Train and then Hire' approach, focusing on pre-employment training, a six-month internship and extended learning when needed. The job mapping and role definition were carefully crafted for IDD and autism, resulting in 50 successful traineeships over 14-15 batches, across multiple hotels. After witnessing the growth and success of our IDD internship programme in FY23, we expanded our efforts to enable more special youth to become a part of the LTH employee base.

- **Bridging the Gap:** After a two-and-a-half-year break, we successfully facilitated the return and re-training of LTH's talented employees with IDD. This effort was focused on 25 of them re-entering the workforce with newfound confidence and consolidation of their skills.
- **Expanding Horizons:** The introduction of the IDD internships in Mumbai and Bengaluru, in collaboration with new NGO partners – Mann Centre (Mumbai) and Diya Foundation (Bengaluru), was a significant step in fostering inclusivity of the most marginalised group. By providing them with training opportunities and mainstream employment, we help create a balanced workplace, foster diverse talent and give opportunities to those with limited access.

Through these initiatives, we are not only making strides in creating a more inclusive workplace, but also inspiring a positive change in society. The IDD and Autism internship programmes demonstrate the true value and power of bringing in diverse talent. Together, we are fostering an environment of respect, understanding and progress for all.

SDG Target



8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value

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



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

CREATING OPPORTUNITIES, ENABLING SUCCESS

Through our Career Growth programme, we strive to empower our specially abled team members to grow further in their careers. In FY23, we promoted two IDD team members. Formerly Guest Service Associates (GSAs) in Food and Beverage service, their promotion to Guest Service Supervisors (GSSs) marked a pivotal moment.

With the support of partner NGO Muskaan PAEPID, we are crafting a specialised development programme to enhance their leadership and professional skills, ensuring continued success. We are committed to inclusivity and strive to create a workplace where all team members can thrive and excel.

SDG Target



8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value



Learning and Development (L&D)

Employee training and leadership development are of utmost importance at LTH. These play a pivotal role in achieving brand consistency, elevating customer service and inspiring and leading the team. Our vision revolves around nurturing talent at every level, with an emphasis on leadership development and on building the pipeline for the hotel level management team. Through continuous efforts, we aim to foster unwavering customer focus and service excellence. Our comprehensive approach includes new employee training, job-specific coaching and advanced training for senior staff.

In FY23, L&D's primary focus was on essential department 101s, customer service and ESG training, along with a strategic effort to strengthen and reinforce the understanding of department SOPs across all hotels. As a result, the number of non-mandatory sessions offered during this period were fewer.

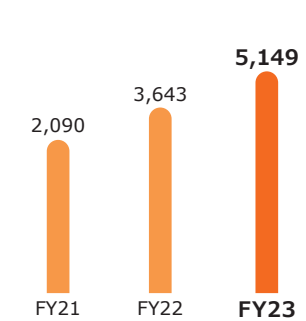
₹5,555

L&D expenditure per employee

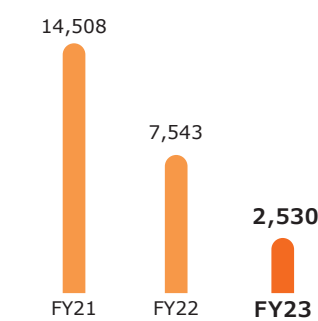
16.28

Training man-hours per employee

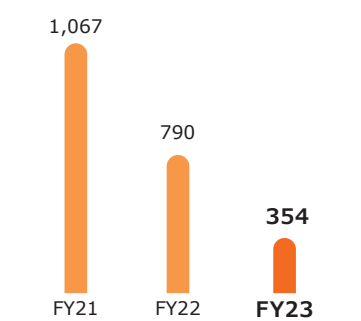
Total Training Hours



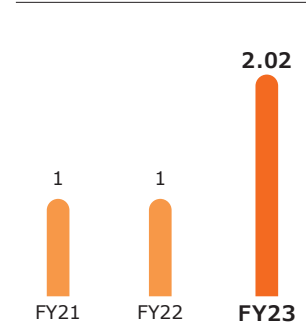
No. of Employees Receiving Training



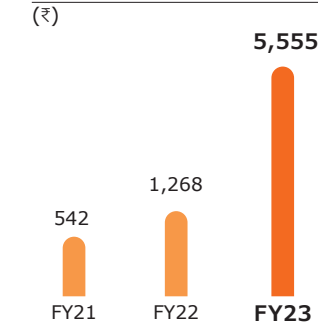
No. of Employees Receiving Training (excluding Mandatory Learning)



Average Number of Training Days per Employee



Average Cost of Training per Employee (₹)



L&D Playbook: A Comprehensive Guide to L&D Efficiency

The L&D Playbook serves as a complete guide for the L&D team, ensuring uniformity and a focus towards common goals. It covers essential areas, such as an overview of LTH and its leadership teams, learning pedagogy, programmes and the L&D team structure. Additionally, it outlines cluster and hub allocation, roles and responsibilities, training plans and processes to be followed for planning, conducting and reviewing training sessions, etc. Other aspects encompass data management, a training calendar, travel plans, content reviews, grooming and behaviour guidelines when staying at LTH hotels. The playbook streamlines operations and cultivates an efficient culture in L&D practices within the organisation.

CULTIVATING TOMORROW'S LEADERS

To nurture aspiring department heads and assistant hotel managers, we devised an initiative called Potential Leadership Development Programme. It aims to empower participants with essential managerial skills, sales expertise and a strong sense of ownership and responsibility. Through engaging workshops and intensive training, we foster a culture of continuous growth, propelling our team members to become confident leaders and champions of customer service. In FY23, we trained and empowered 60 department heads and hotel managers to create a future generation of effective leaders.

SDG Target



4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

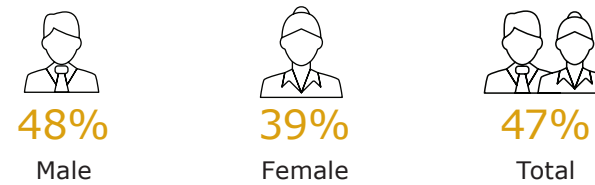
CASE STUDY

Talent Management

Our employees play a vital role in driving our business growth and enhancing our brand reputation. To ensure their empowerment, productivity and retention, our talent management team places great emphasis on nurturing and supporting our workforce. Our employee growth programme identifies exceptional individuals, namely Super High Achievers (SHAs) and High Potential (HiPot) Employees, who exhibit the necessary attitude and competencies to evolve into leaders over time. The programme serves as a motivating force, encouraging employees to achieve their full potential.

Our employee job engagement score stands at 87%, as assessed by the Employee Satisfaction Tracking System (ESTS) and 93% as per the Great Place To Work system. These figures shed light on our work culture and reflect the positive level of engagement and satisfaction among our employees. We are committed to fostering an environment that encourages our workforce to thrive and feel fulfilled in their roles, contributing to their overall productivity and job satisfaction.

EMPLOYEES RECEIVING PERFORMANCE AND CAREER DEVELOPMENT REVIEWS IN FY23 (%)



EMPLOYEE BENEFITS

We are committed to the well-being and security of our employees, offering a comprehensive range of benefits to ensure their needs are met. All permanent employees receive 100% coverage for health insurance and accident insurance. We understand the importance of supporting our employees through their different life stages, e.g. providing maternity benefits for female employees, daycare facilities, etc. In FY23, five employees availed maternity leave.

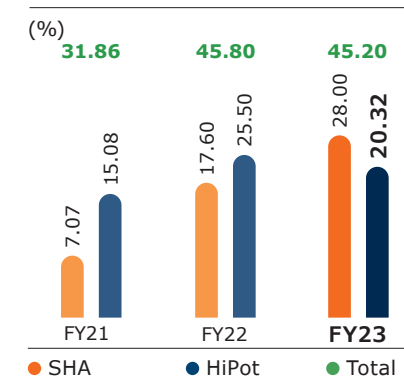
We have expanded health insurance coverage, offering double the sum previously insured, at each work level, to those not covered under the Employees' State Insurance Scheme. To further strengthen our employees' financial security, we have introduced a group term life policy for all, providing an assured sum between ₹10 and 15 Lakhs in the unfortunate event of an employee's death during their tenure with us. Our personal accident policy also provides support to an employee's family during times of need.

Benefits in FY23	Employees Covered (%)
PF	100
Gratuity	75
ESI	67

RETAINING OUR TALENT POOL

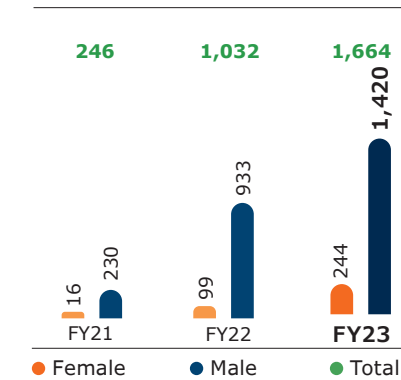
In FY23, we experienced a total workforce turnover for our owned/leased hotels of 52%. Our retention rate stood at 48% for male and 34% for female full-time employees. Additionally, 66% of the new hires were below the age of 30.

Turnover Rate¹ (%)

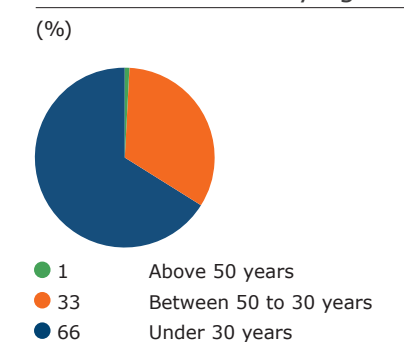


¹Owned/Leased Hotels only

No. of New Hires



New Hires in FY23 by Age Group (%)



Celebrating Employee Empowerment: Great Place To Work achievement

As an organisation, we deeply value the satisfaction and engagement of our employees, which is why we actively participate in the Great Place To Work (GPTW) assessment. It involves an online survey, completed by 5,000 LTH employees and a culture audit, which reviews all our HR and people practices. GPTW scores us on five criteria: Credibility, respect, fairness, pride and camaraderie. Additionally, they evaluate key people practice areas like trust, leadership effectiveness, innovation, gender equality and more. We are delighted to have achieved a score of 93 and been ranked within the Top 50 companies in 2022, a testament to our commitment to creating a workplace where our employees feel valued and inspired.

INNOVATIVE PERFORMANCE MANAGEMENT

We have implemented a new Performance Management System (PMS), that has redefined success for our employees in Band 4 and above. The policy's objective is clear: to ensure effective performance evaluation and growth across all organisational levels. The PMS includes measurable Key Responsibility Area (KRA) scores, tasks aligned with our vision, and insightful manager feedback on behavioural competencies. The transparency of the process inspires employees to exceed expectations. Regular reviews and transparent variable pay disbursement create a culture of excellence.

SDG Target



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

CASE STUDY

Health, Safety and Well-being

Health and safety are paramount at LTH. Our vision is zero incidents and occupational health hazards for employees, contractors, guests, communities and the public. We have implemented a comprehensive Occupational Health and Safety (OHS) Management System that covers all our employees and hotels. This system ensures that potential work-related hazards are identified and risks are assessed routinely, as well as on a non-routine basis.

Furthermore, LTH provides access to non-occupational medical and healthcare services for employees through health/personal accident and life insurance coverage. The well-being of employees is prioritised by conducting health camps, workshops and awareness programmes. Our hotel designs incorporate various health and safety measures, such as fire safety equipment, evacuation procedures and energy-efficient features, creating a safe and comfortable environment. In FY23, we had 15 cases of recordable work-related injuries and two cases of high-consequence work-related injury or ill health.



HAZARD IDENTIFICATION AND MITIGATION

At LTH, hazard identification is a continuous process. The Incident Tracking System aids us in recognising potential hazards, allowing us to take proactive steps to mitigate risks. We engage in regular internal safety audits and risk assessments to identify areas for improvement. By involving our employees in the reporting process, we ensure that potential hazards are promptly addressed, minimising the likelihood of incidents.

Our approach to hazard mitigation involves immediate action in response to reported hazards and the preventive action to avoid potential occurrences. We prioritise safety training for employees and maintain well-documented emergency response plans.

HEALTH AND SAFETY GOVERNANCE

We have established an OHS Committee at the corporate level to review our OHS standards, rules and procedures. We have also set up hotel-level OHS Committees to promote and monitor compliance with local OHS regulations. The committee is responsible for the identification and prioritisation of appropriate mitigation action based on the analysis of incident reports. In addition to the OHS Committee, each hotel also has competent first-aid personnel trained to attend to the first-aid needs of our employees, guests and other visitors.

ZERO

Health and safety-related incidents at our under-construction sites in FY23

ZERO

Fatalities in FY23

EMPLOYEES RECEIVING TRAINING ON HEALTH AND SAFETY MEASURES IN FY23



43%

Male



46%

Female



44%

Total

HOTELS ASSESSED IN FY23

100%

Health and safety practices

100%

Working conditions

OUR KEY FOCUS AREAS



Fire Safety

All 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.



Equipment Safety

We have designated trained operators at our hotels to ensure appropriate handling of all equipment. We have also established detailed safety procedures that authorised personnel must follow to ensure proper use and maintenance of our equipment.



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 responses to any security threats and incidents occurring at our hotels.



Sanitisation

All our surfaces such as doorknobs, counter tables, counters, room keys, EDC machines and general surfaces, are wiped and cleaned regularly to remove dust, and harmful germs.



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.



Promotion of Employee Health

Our focus is on promoting employee wellness through initiatives such as health camps, smoking cessation programmes, dietary advice, mental health workshops and physical fitness programmes.



Community Well-being

Through our local hiring and procurement practices, we aim 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.

Human Rights

LTH upholds human rights as a core value, aligning our operations with international standards like the Universal Declaration of Human Rights (UDHR) and International Labour Organisation (ILO) Declaration. Our Human Rights Policy outlines expectations for employees, business partners and third-party contractors. We drive community improvement and raise awareness to combat human rights abuses. Our zero-tolerance approach includes sexual harassment, discrimination, child labour and any form of forced labour or exploitation. Construction sites are proactively monitored to prevent violations. We strictly condemn misconduct, unfair treatment and workplace harassment, including the 2% of our employees who are part of associations/unions. Our Vigilance Officer investigates reported violations, ensuring the safety and well-being of all employees. We stand firm in our commitment to protecting and promoting human rights across all aspects of our operations.

44%

Employees provided with human rights policy training

ZERO

Cases of sexual harassment

ZERO

Case of discrimination

ZERO

Cases of child or forced labour

LEMON TREE HOTELS' HUMAN RIGHTS POLICY

At LTH, our commitment to respecting, protecting and promoting human rights is embedded in our corporate philosophy and values. Our Human Rights Policy reflects our dedication to creating a safe, inclusive and ethical work environment.

Policy Features



Employee Rights and Safety

Ensuring a conducive working environment with comprehensive employee benefits and occupational health measures.



Discrimination and Harassment

Zero-tolerance for misconduct and discrimination



Diversity and Inclusion

Emphasising equal opportunity employment and mainstreaming ODI's



Child and Forced Labour

Prohibiting child labour and ensuring compliance with age-related regulations



Anti-Corruption

Condemning corrupt practices with a Whistleblower Policy for reporting concerns



Community Engagement

Engaging with local communities by considering their views and promoting employment opportunities, especially for marginalised segments

Community Development

We believe in giving back to society by addressing the critical development needs of underprivileged and marginalised communities. Through strategic Corporate Social Responsibility (CSR) interventions, we aim to improve the lives of those in need, fostering positive change at the grassroots level.

₹7.15 Lakhs
CSR spend

PARTNERING FOR EMPOWERMENT

Collaborating with select NGOs, we focus on training and upskilling youth with special needs, enhancing their employability. Our valued NGO partners, such as Aasra Trust, Action for Ability and Inclusion (AADI), Action For Autism, Muskaan PAEPID, Noida Deaf Society, Sai Swayam Society and Sarthak Educational Trust bring over four decades of experience in working with these communities.

EMPLOYEE ENGAGEMENT FOR GOOD

We encourage our employees to participate actively in community initiatives. Whether collaborating with old-age homes, orphanages, or Cheshire homes, their compassion contributes to making a positive difference.

ENVIRONMENTAL STEWARDSHIP

As an environmentally and socially responsible organisation, we undertake tree plantation and cleanliness drives in areas surrounding our hotels. Often our guests are part of this implementation, especially long-stay guests. These efforts reinforce our commitment to creating a sustainable future for all.



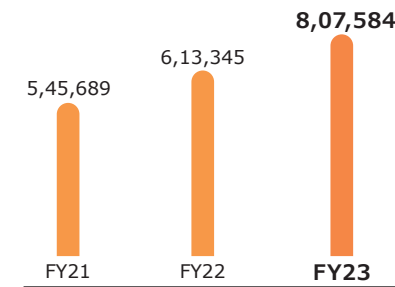
Rumpus Garden at Aurika, Coorg

Customers

LTH's diverse client base, comprising business and leisure travellers, families, tourists, event attendees, wedding guests, food and beverage patrons and long-stay guests, enjoys experiences that are tailored to their specific needs. With cleanliness, comfort and healthy, home-style dining options on offer, our strategically located hotels create a welcoming environment for both business and leisure. Whether it is providing seamless business facilities, family-friendly amenities, or memorable event arrangements, we go the extra mile to create exceptional experiences for our guests. We also offer curated recreational options and sightseeing opportunities, on demand, allowing our guests to make the most of their stay.



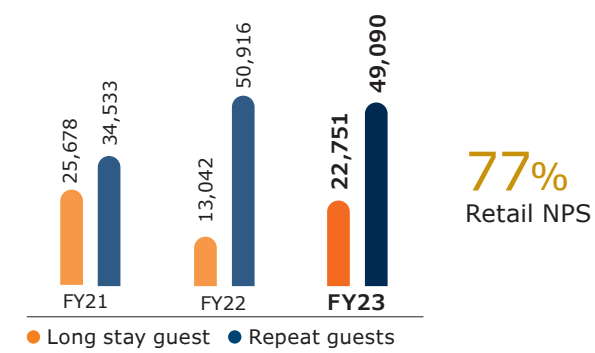
No. of Customers



ENSURING CUSTOMER SATISFACTION

Customer satisfaction is not just a metric; it is the essence of our existence. We place great emphasis on Online Reputation Management (ORM) and maintain an unwavering commitment to address any service errors or shortcomings through a well-organised process involving the Hotel Operations Team and the ORM team.

Guest Stay



LISTENING AND RESPONDING TO FEEDBACK

Customer satisfaction is at the core of our business philosophy. We actively encourage our guests to provide feedback through various channels, viz. our Guest Satisfaction Tracking System (GSTS), online sources like Tripadvisor and social media platforms, and OTAs, including Booking.com, Makemytrip.com and many more. By valuing and attentively addressing their comments, we continually enhance our services and ensure that our guests' are content.

PROMOTING SUSTAINABILITY THROUGH GUEST ENGAGEMENT PROGRAMMES

We prioritise sustainability and actively involve our guests in our efforts. Through our communication channels, we inform them about our waste management practices and the positive environmental impact. Our guest engagement programme includes water-saving posters in rooms, inspiring guests to conserve water by opting not to change their linen daily, through the third-day linen change initiative. This empowers guests to contribute to the preservation of this depleting resource during their travels.

Turning Feedback into Actions

Acting on feedback from guests at LTH is at the core of our commitment to excellence. Through root cause analysis, our L&D team delves deep into every negative and passive comment, scrutinising the GSTS and online platforms. We concentrate on people and process-related aspects to identify the root causes of any challenge. By spotting recurring themes, we make required adjustments to our brand standards, ensuring that we offer unparalleled experiences to our customers. Working alongside the hotel operations teams, the L&D Team swiftly acts to resolve issues, providing re-briefing and targeted corrective training, where needed. The customer's voice shapes our journey, guiding us towards continual growth and genuine connection, making the stay at LTH memorable.

Loyalty and Rewards Programme

Our loyalty programme rewards our valued guests with exclusive benefits and privileges. Members receive special offers, personalised services and earn reward points for every stay. With a seamless experience and delightful perks, the programme is designed to enhance our guests' loyalty and make their stays even more memorable. Through our loyalty programme we keep our guests updated on hotel launches, new services and periodic offers via e-mailers and newsletters.

15.79 Lakhs

Loyalty programme members

Gold Membership Benefits

- Member Exclusive Offers
- Redeem Free Room Nights
- Redeem and Gift
- Free 24x7 Wi-Fi
- 1000 Bonus Points for Online Bookings
- Earn Points on Every Stay
- Extra Bonus on Points Earned
- Flexible Cancellation
- Complimentary Room Upgrade
- 2nd Guest Stays Free
- Early Check-in and Late Check-out
- 2 Pieces of Laundry per Stay
- 48-Hour Room Guarantee

Commitment to Ethical Supply Chain Management

We are committed to a responsible and sustainable supply chain that goes beyond traditional criteria. Our Supplier Code of Conduct, aligned with corporate values, ensures that suppliers embrace sustainability. The Code adheres to international standards like International Labour Organization (ILO), Universal Declaration of Human Rights (UDHR) and global best practices, applying to all suppliers. It now extends to vendors and service providers, covering compliance with environmental regulations, health and safety, labour practices, human rights, minimum wages, freedom of association, ethical behaviour and transparent business processes.



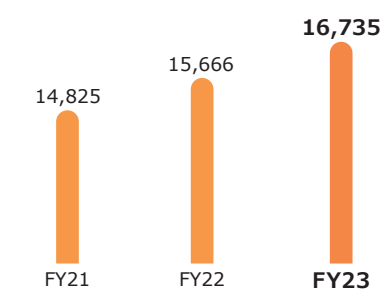
Lemon Tree Premier, New Town, Kolkata

GUIDING PRINCIPLES FOR SUPPLIERS

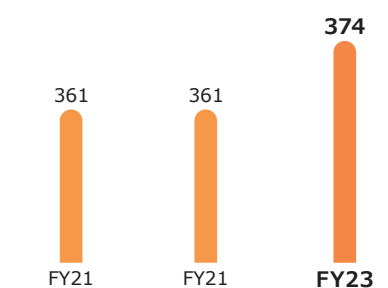
Our suppliers are required to adhere to the principles stated in the LTH Code across their business operations. Moreover, we encourage them to establish their own specific environmental, social and governance (ESG) objectives that align with our Code.

<p>Ethics and Governance</p> <ul style="list-style-type: none"> Legal Compliance No Conflict of Interest Anti-corruption Record Keeping Workers' Grievances 	<p>Human Rights</p> <ul style="list-style-type: none"> Prohibition of Child Labour Anti-Human Trafficking and Slavery Fair Wages Decent Working Hours Anti-discrimination
<p>Environmental Sustainability</p> <p>Obtain and maintain all necessary environmental permits and licenses as per applicable national, state and local laws</p>	<p>Occupational Health & Safety</p> <ul style="list-style-type: none"> Safe Working Conditions Fire Safety Worker Trainings Workers' Grievances

No. of Active Suppliers



No. of National Suppliers

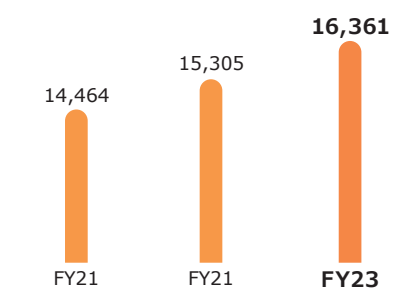


SUPPORTING LOCAL SUPPLIERS

Supporting local suppliers is a priority at LTH. By sourcing from nearby businesses, we contribute to the growth of our community, bolster the local economy and reduce our ecological footprint. Embracing local partnerships creates jobs, encourages unique offerings and strengthens ties within the business ecosystem.

98%
Of sourcing is from local suppliers

No. of Local Suppliers



PLANET

At LTH, environmental responsibility is at the core of our vision for a greener future. We go beyond compliance with legal requirements, actively seeking opportunities to minimise our carbon footprint, conserve water, and promote waste reduction and recycling. Our focus on innovation drives us to explore cutting-edge technologies and practices, elevating our environmental sustainability efforts.

MATERIAL ISSUES IMPACTED

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

STAKEHOLDERS IMPACTED

- Employees
- Customers
- Local Communities
- Regulatory Bodies/Government

UN SDGs



FY23 KEY PERFORMANCE HIGHLIGHTS

10.97%	3,907 kg/year	3,319 KL
Energy consumption from renewable sources	Retired IT assets reused and recycled	Combined capacity of sewage treatment plants installed
31.50%	64.17 tonnes/year	
Of water consumed is recycled water	Plastic waste safely disposed	



Red Fox Hotel, Neelkanth

Conscious Choices, Cleaner Earth

LTH's commitment to environmental sustainability is firmly grounded in its mission to generate and maximise value for everyone. By preserving natural resources and promoting sustainability, we strive to provide a safe, hygienic and healthy environment for our guests, while also contributing to a healthier planet for future generations.



OUR GREEN GOALS

We have embraced green goals and are committed to:

Dedicated Governance Structure

The ESG taskforce oversees LTH's ESG strategy and tracks progress towards the FY26 targets. Planning and executing new initiatives to help achieve these targets is a key deliverable of this taskforce.

Transparency in Communication

We place the utmost importance on ESG disclosures and on communicating about the initiatives that we implement. We have been active participants in the Global Real Estate Benchmark (GRESB) from 2015 onwards, and have presented our ESG/Integrated Report from 2021.

Green Hotels

Over the last two decades, LTH has built hotels that promote energy saving, efficient use of water and other natural resources and usage of renewable energy thereby, creating a lower carbon footprint. All our owned/leased hotels are designed as per the IGBC/LEED Gold Standard and we are now focussed on getting them all certified by FY26.

Energy Management

We implement initiatives that reduce energy consumption and improve energy efficiency through optimised design and technology. This includes air conditioning, lighting and ventilation systems at all our hotels. Furthermore, we are actively switching over to renewable energy in order to reduce our reliance on conventional energy.

FY26 TARGET

15%

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

50%

RE usage out of total energy consumption

FY23 PROGRESS

10%

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

10.97%

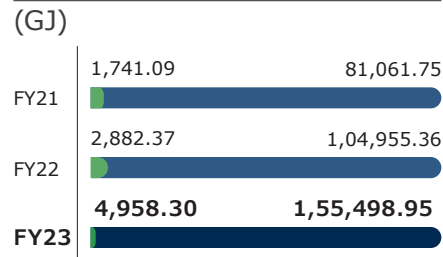
RE usage out of total energy consumption



Tangerine Grand at Lemon Tree Premier, Bhubaneswar

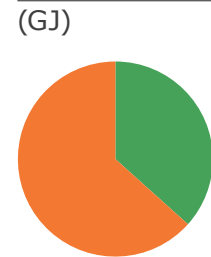
Environment

Total Energy Consumption



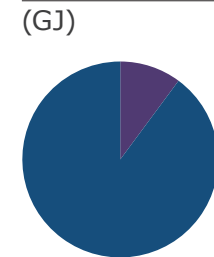
- Within the organisation: Solar PV power, DG power
- Outside the organisation: Grid, including Open Access

Total Energy Consumption in the Organisation in FY23



- 1,817.06 Solar Rooftop
- 3,141.25 DG Set

Total Energy Consumption outside the Organisation in FY23



- 15,779.67 Open Access (OA)
- 1,39,719.28 Grid

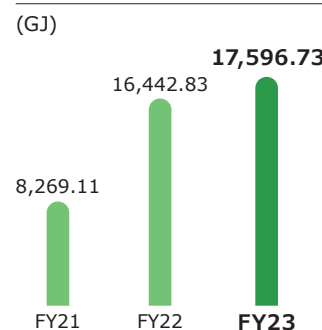
Fuel-wise Energy Consumption within the Organisation (in GJ)

Fuel	FY21	FY22	FY23
Petrol	58	94	251
Diesel vehicle	1,839	1,990	2,838
Firewood	208	209	142
Charcoal	2,650	3,542	5,559
LPG	20,793	25,706	33,543
CNG	8,934	19,214	26,844
Total	34,482	50,755	69,177

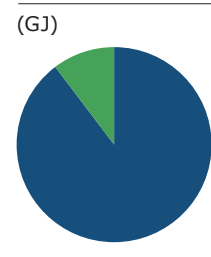
RENEWABLE ENERGY

Over the last seven years, we have taken steps to source renewable energy for our owned/leased hotels, to help reduce our carbon footprint. Our efforts include investing in implementing on-site generation methods i.e. solar rooftop, utilising open access arrangements for clean energy and prioritising dedicated renewable energy projects. The implementation level differs from state to state, based on the state rules around accessing renewable energy.

Total Renewable Energy Consumption



Renewable Energy Mix in FY23



- 1,817.06 Solar Rooftop
- 15,779.67 Open Access (OA)

10.97%

Of energy consumed sourced from renewable energy in FY23

25%

Of hotels generate energy from on-site renewable sources

439 kW

Installed solar rooftop capacity in FY23

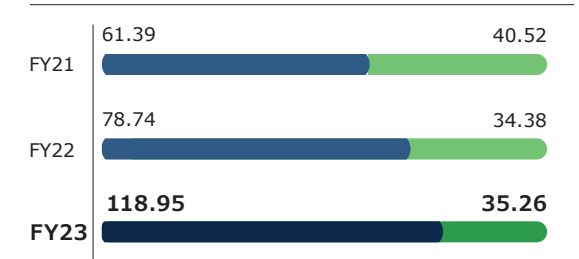
30%

Of hotels consume renewable energy

ENERGY EFFICIENCY

We have introduced a range of initiatives in our existing hotels to reduce energy consumption. To align with Sustainability Development Goal (SDG) 12 and promote energy efficiency, we have taken an approach of systematic energy management across the group. These comprehensive measures encompass not only green building design and technology advancements but also prioritise renewable energy integration, energy-efficient appliances and employee and guest participation in energy-saving practices. By adopting this multifaceted approach, our goal is to set the standard for eco-friendly operations within the hospitality industry and make a positive impact on the planet.

Energy Intensity



- Energy intensity based on total floor space (KWH per m2)
- Normalised energy intensity based on number of occupied rooms (KWH per occupied room)

TRANSFORMATIVE MEASURES FOR ENERGY OPTIMISATION

Our hotel operations are aligned with our sustainability goal of enhancing energy efficiency and reducing the total energy consumption.

In FY23, we attempted to optimise energy usage, minimise environmental impact and create a more eco-friendly experience for our guests.

BLDC Fans Replacement

We have incorporated energy-efficient BLDC (Brushless DC) fans across several of our properties to enhance energy efficiency and reduce noise levels compared to traditional AC fans. These fans are in use at various locations, including Lemon Tree Premier, HITEC City, Hyderabad; Lemon Tree Premier, Delhi Airport; Red Fox Hotel, Delhi Airport; Keys Select by Lemon Tree Hotels, Pimpri, Pune and Keys Select by Lemon Tree Hotels, Whitefield, Bengaluru. Additionally, our upcoming property Aurika, Mumbai Skycity is also implementing this feature, which will lead to substantial energy saving.

Variable Frequency Drive with Logic Control for Kitchen Ventilation

At Lemon Tree Premier, City Center, Gurugram and Lemon Tree Premier, HITEC City, Hyderabad, we have implemented Variable Frequency Drives (VFDs) in the ventilation system to monitor and optimise the use of energy. The VFDs enable the ventilation system to operate at different speeds, adjusting to the actual requirement in the kitchen at a given point in time. As a result, the power consumption reduces during low-demand periods, leading to significant energy savings at these properties.

Energy-efficient Heat Pump Installations

At Keys Select by Lemon Tree Hotels, Whitefield, Bengaluru and Keys Select by Lemon Tree Hotels, Thiruvananthapuram, energy-efficient heat pumps have been installed to provide heating and cooling functionalities. These pumps offer considerable cost savings on the total energy bill by efficiently regulating the indoor temperature. The implementation of heat pumps eliminates the necessity for separate furnaces and air conditioners, streamlining the heating and cooling process for enhanced energy efficiency at these properties.



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

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

Climate Change and Emissions

Recognising the critical risks posed by climate change to our industry and the economy as a whole, we actively engage in initiatives that reduce emissions.

FY26 TARGET

40%

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

FY23 PROGRESS

19%

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



CLIMATE CHANGE APPROACH

Our commitment towards tackling climate change consists of four elements:

Activities

Climate Change Mitigation

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

Climate Change Adoption

Harvesting rainwater, using water-efficient faucets and shower heads, utilising recycled water in gardens, installing flushing and cooling systems, reducing wastage of food, etc.

Targets

Our commitment to climate change mitigation and adaptation is underpinned by clear and objective goals to reduce GHG emissions.

Partnerships

We have been actively collaborating with key stakeholders to help us out with the ongoing climate crisis. We also take the help of our hospitality partners to help us improve the performance of the sector and to influence policy-making.

Disclosures

We have set metrics in place to measure and report progress against our long-term goals through annual disclosures.

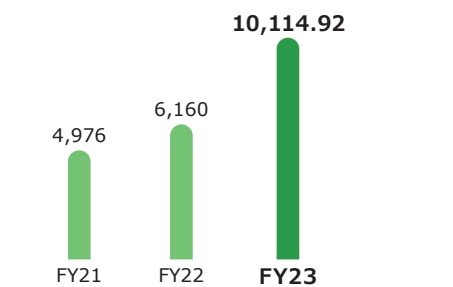
Minimising our Carbon Footprint

We actively measure and monitor carbon emissions (Scope 1 and Scope 2) arising from energy consumption at our hotels to reduce our carbon footprint. To reduce our Greenhouse Gases (GHG) impact, we have implemented various measures:

- Progressively increasing the proportion of renewable energy in our operations
- Implementing energy-efficient equipment to optimise our energy usage
- Having a concrete action plan to introduce EV vehicles in our hotels
- Adopting cleaner fuels like LPG and CNG
- Gradually eliminating equipment using Chlorofluorocarbons (CFCs)
- Engaging in tree-planting initiatives in local communities and on our premises throughout India
- Exploring the feasibility of carbon offsets to further mitigate the adverse effects of our emissions

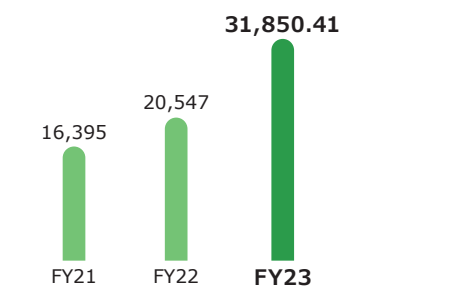
Direct GHG Emissions-Scope 1

(MTCO₂e)



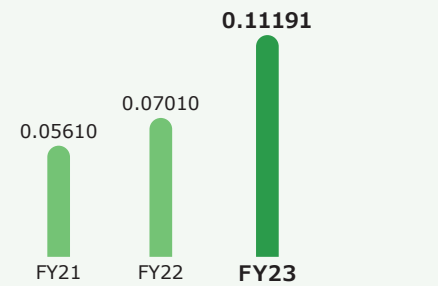
Indirect GHG Emissions-Scope 2

(MTCO₂e)

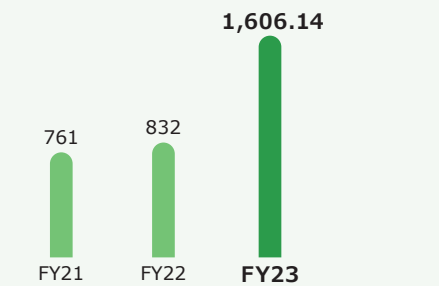


Environment

**GHG Emissions Intensity-
For Owned/Leased Hotels**
(MTCO₂e/m²)



**HFCs/Refrigerant Emissions-
R12, R22, 134A, etc.**
(Kg)



The increase in GHG emissions in FY23 is primarily attributed to the unstable supply of RE through Open Access (OA) arrangements, with periods of zero supply in certain months in Delhi and Maharashtra. This disruption in RE usage negatively impacted the overall reduction in GHG emissions.

ECO-FORWARD TRANSFORMATION

Piped Natural Gas (PNG) Conversion

We have successfully transitioned from LPG cooking gas to PNG at Key Select by Lemon Tree Hotels, Whitefield, Bengaluru. This strategic move aligns with our vision of adopting cleaner fuel alternatives. PNG's numerous benefits, such as easy maintenance, enhanced safety and uninterrupted supply, have not only led to a reduction of 7.50% in carbon emissions but also generated significant cost savings.

Anti-smog Guns for Cleaner Air

To combat air pollution, we have introduced anti-smog guns at Red Fox Hotel, East Delhi, Red Fox Hotel, Delhi Airport and Lemon Tree Premier, Delhi Airport. These portable devices spray fine water particles, effectively capturing and suppressing harmful pollutants like dust, smoke and particulate matter. With the flexibility of targeting specific locations, this initiative has significantly improved air quality, creating a cleaner and healthier environment for guests and staff alike.

SDG Target



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



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

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

CASE STUDY

SUSTAINABILITY AT THE CORE: GREEN BUILDING CERTIFICATIONS AT LTH

By aligning with the Indian Green Building Council (IGBC) Gold Standard, we ensure optimal utilisation of natural resources, leading to significant savings in the long run. Our commitment to sustainability includes adhering to recommended practices, strict pollution control and maintaining superior indoor environmental quality.

Mumbai International Airport; Lemon Tree Premier, Ulsoor Lake, Bengaluru and Lemon Tree Hotel, Gachibowli, Hyderabad. These measures included managing light pollution, using thermally insulated paint on terraces and installing sub-meters for better analysis of water consumption. As a result, we received IGBC Gold certifications for these properties, driving our total count of IGBC Gold-certified hotels to 10, comprising 25% of our owned hotels.

In FY23, we successfully implemented several recommended measures from the green building audit at Aurika, Udaipur; Lemon Tree Premier,

FY26 Target

100%
Certified green buildings (hotels)

FY23 Progress
25%
Certified green buildings (hotels)

FY23 vs FY19 Reduction in Consumption - Intensity-based (%)

Category	FY23 vs FY19 Reduction (%)
Energy	10%
GHG	19%
Water	15%

SDG Target



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



Aurika, Udaipur

Water Management

Amidst a growing water scarcity across the country, we recognise the potential business risks and have prioritised effective water management at our hotels. Our initiatives encompass water conservation, water recycling, wastewater treatment and rainwater harvesting.

FY26 TARGET

10%

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

FY23 PROGRESS

15%

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

OUR WATER FOOTPRINT

We are aware of our dependence on freshwater and are working to limit its consumption by introducing efficient water outflow measures in our hotels. We have been proactive in better managing the consumption within our premises. We use aerators/flow restrictors and dual

flush systems to the maximum extent. We also engage with our guests to contribute towards our water-saving initiatives, through the third-day linen change programme and the half glass water initiative.

Water Withdrawal from Sources (KL)	FY21	FY22	FY23
Municipal Water Source	1,99,276	2,52,805	3,45,124
Other Sources	1,66,634	2,28,563	2,56,197
Procured Water (Tanker)	35,019	58,937	1,37,854
Bottled Water	1,646.56	2,184	3,134
Total Water Consumption ¹	4,00,929	5,40,305	7,39,175
Total Water Consumption including Bottled Water	4,02,575	5,42,489	7,42,309

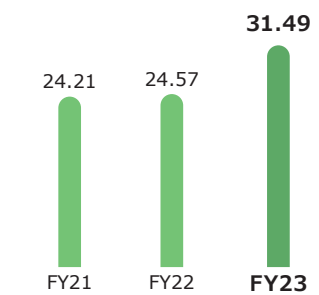
¹Municipal, tanker and other sources account for total water consumption

WASTEWATER RECYCLING

We have efficiently led the management of water discharge and have a combined capacity of installed Sewage Treatment Plants (STP) of 3,319 KL per day to prevent wastewater from contaminating natural water sources. In FY23, we recycled 28.16% more water than in FY22.

Water Recycled

(%)



SMART WATER USE AT LTH

Water Bottling Plant

To combat single-use plastic packaged water, LTH installed a water bottling plant at Lemon Tree Premier, Delhi Airport and Red Fox Hotel, Delhi Airport. This initiative resulted in a healthy 10-11% reduction in expenditure on packaged water and a significant decrease in the hotel's plastic footprint. The process adheres to strict standard operating procedures, providing guests with eco-friendly drinking water. Following a successful pilot at these properties, LTH plans to expand this initiative to 10-12 more hotels in FY24.

Installation of Piezometer

At Red Fox Hotel, Jaipur and Lemon Tree Premier, Mumbai International Airport, piezometers have been implemented to monitor groundwater levels as mandated by the Central Ground Water Authority. These devices provide crucial data about groundwater availability, aiding in monitoring water levels over time.

Drip Irrigation

At Lemon Tree Premier, Delhi Airport and Red Fox Hotel, Delhi Airport, a pilot project utilising STP treated water for gardens along the boundary wall has proven successful. Discussions with local authorities are on to extend this initiative up to the Aerocity metro station, conserving fresh water usage effectively. Drip irrigation ensures precise water delivery to plant roots, reducing evaporation and runoff, resulting in more efficient water distribution.

Metering for Recycled Water

Promoting water conservation, we have introduced metering systems to measure recycled water usage at Lemon Tree Premier, Mumbai International Airport, and in Bengaluru at Lemon Tree Hotel, Electronic City; Lemon Tree Hotel, Whitefield; Key Select by Lemon Tree Hotels, Hosur Road and Keys Select by Lemon Tree Hotels, Whitefield. Accurate data on recycled water usage enables us to take informed decisions regarding water management and regulatory compliances.

SDG Target



6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity



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

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



Waste Management

Waste management is a pivotal aspect of our daily operations and a key focus area for the company. Our commitment lies in reducing waste through appropriate and sustainable waste minimisation techniques. We have deployed best-in-class practices to reduce, segregate and manage waste effectively. By quantifying waste generation across our portfolio of hotels, we gain insights to implement targeted strategies.

Throughout our hotel premises, from guest rooms to restaurants, public areas and back-of-the-house operations, we emphasise waste reduction, reuse and recycling.

Compliance with environmental laws outlined by the Ministry of Environment, Forest and Climate Change (MOEF&CC) is a top priority for both existing and upcoming hotels. Our employees are empowered through training and support to build their awareness and to implement our ESG and Waste Management Policy. Our aim is to achieve an optimal waste reduction and diversion rate, further enhancing our waste management performance and contributing to a sustainable future.

3,097 kg/year
Retired IT assets reused and recycled



Environment

WASTE GENERATION BY SOURCE

(kg)

Source	FY21	FY22	FY23
Wet Waste	3,07,000	4,84,709	4,97,101
Dry Waste	2,10,633	3,32,416	3,13,257

WASTE GENERATION BY CATEGORY

(Metric Tonnes)

Category	FY21	FY22	FY23
Hazardous Waste	95	9.46	4.68
Non-hazardous Waste	631	817.13	810.33

WASTE DISPOSAL IN FY23

(Metric Tonnes)

	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	0	24.43	64.17
E-waste	0	1.09	7.25
Hazardous Waste	0	0.47	5.60
Other Waste	43.63	18.96	66.54

OUR WASTE-MANAGEMENT APPROACH

Waste Segregation, Classification and Disposal

- Segregate waste on-site
- Ensure proper categorisation
- Deliver waste to authorised partners

General Waste Management and Disposal

- Waste categories are treated accordingly

E-waste Management

- Recycle outdated IT and electronic equipment
- Ensure proper management of toxic chemicals
- Procure IT assets from certified partners

Environment

Biodiversity

Embracing our role as responsible stewards of the environment, LTH acknowledges the impact that our development and operations can have on the surrounding ecosystems and natural resources. We accept our responsibility towards preserving the biodiversity and unique habitats of the locations where our properties thrive. To safeguard these areas, we are dedicated to ensuring that none of our operations encroach designated protected zones, such as national parks and wildlife reserves. Moreover, we are integrating our commitment to conserving biodiversity and habitat into every aspect of our development, acquisitions and operations strategies.

PROFIT

LTH prioritises sustainable profits while maintaining a balanced approach to margins. Our commitment to responsible financial management and growth enables us to deliver consistent profitability. We remain focused on leveraging opportunities in the travel and tourism industry, ensuring a positive impact on our stakeholders and reinforcing our position as an industry leader.

MATERIAL ISSUES IMPACTED

Ethics and Transparency
Economic Performance

STAKEHOLDERS IMPACTED



Investors and Shareholders



Owners and Partners

UN SDGs



FY23 KEY PERFORMANCE HIGHLIGHTS

111%
Total revenue YoY growth

₹140.54 Crores
Profit After Tax (PAT)

11.20%
Return on Capital Employed (RoCE)

208%
EBITDA* YoY growth

₹1.45
Earnings Per Share (EPS)

*EBITDA for FY23 is before a stamp duty expense of ₹4.8 Crores



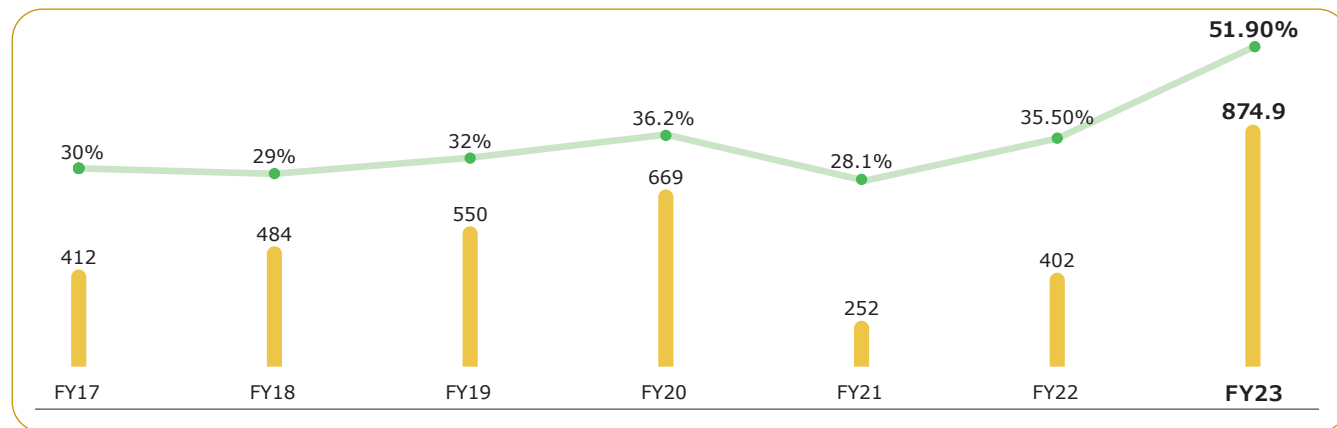
Exceptional Growth in Key Metrics

We have achieved a steady growth in key financial metrics this year, including total revenue, EBITDA, PBT, PAT and EBITDA margin percentage. We have full confidence in maintaining this positive momentum, with our ultimate goal being to consistently deliver industry-leading profitable growth.

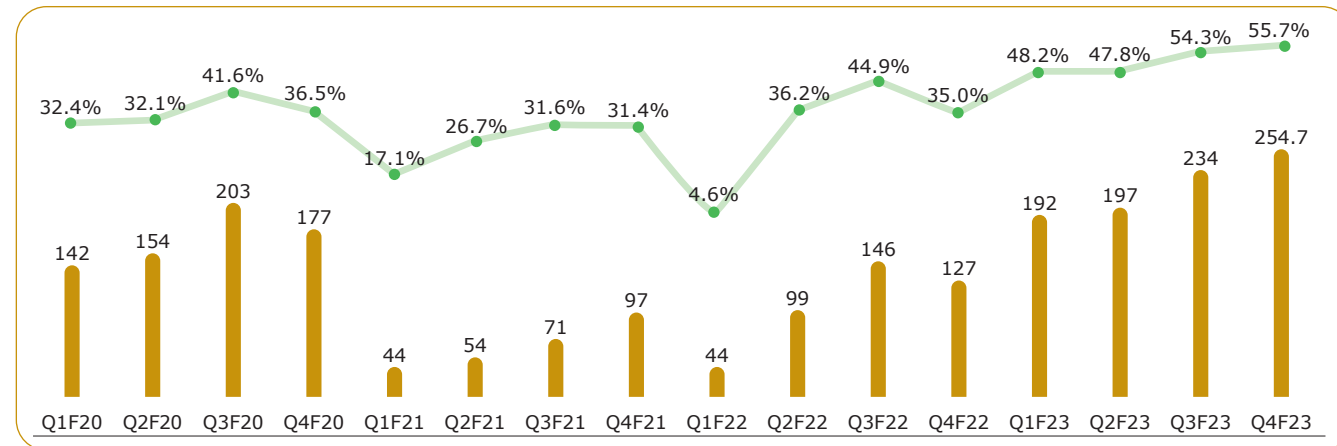


Lemon Tree Premier, Vijayawada

EBITDA MARGIN EXPANSION DRIVEN BY PERMANENT COST RATIONALISATION (By year)*1



(By Quarter)*2



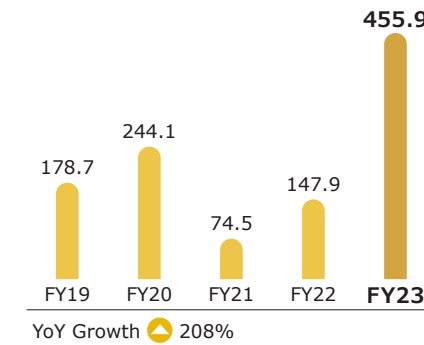
● Revenue From Operations (₹ Crores) ● Total Revenue (₹ Crores) ● EBITDA Margins (%)*

*1 EBITDA Margin % for FY23 and FY22 is before a stamp duty expense of ₹4.8 Crores and ₹15.3 Crores, respectively

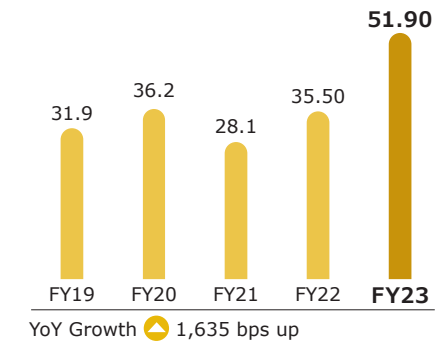
*2 EBITDA Margin % for Q1 FY23 and Q4 FY22 is before a stamp duty expense of ₹4.8 Crores and ₹15.3 Crores, respectively

KEY FINANCIAL METRICS

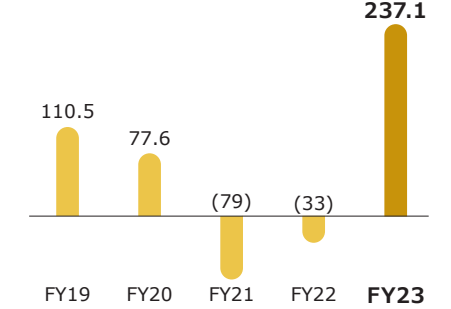
EBITDA* (₹ Crores)



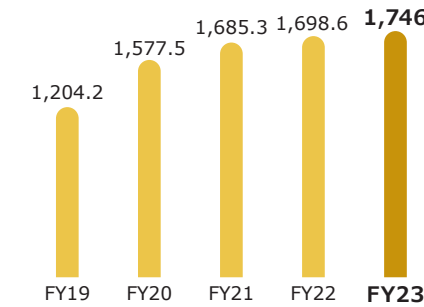
EBITDA Margin* (%)



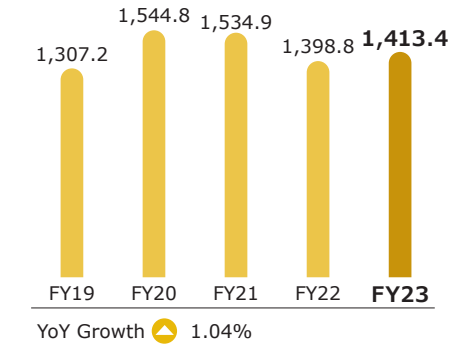
Cash Profit (₹ Crores)



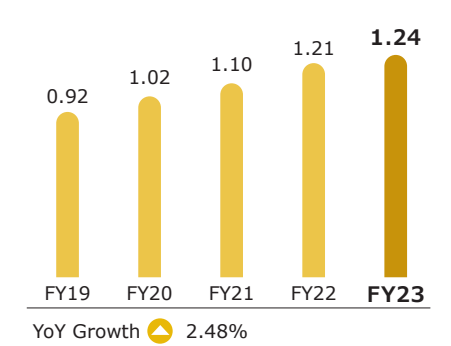
Gross Debt (₹ Crores)



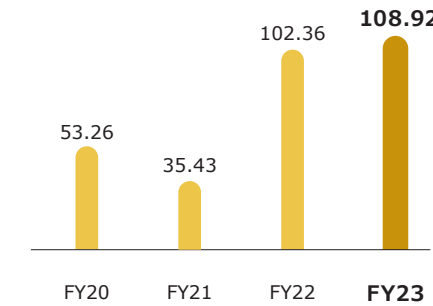
Net Worth (₹ Crores)



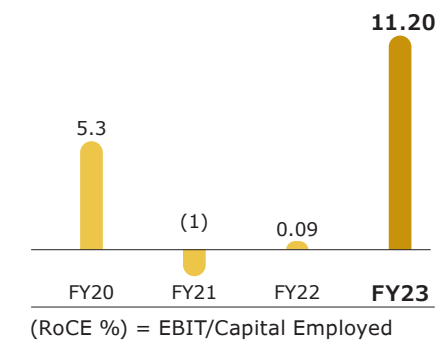
Debt to Equity Ratio (Ratio)



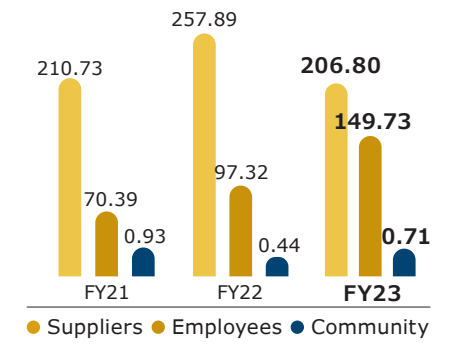
Tax Paid Details (₹ Crores)



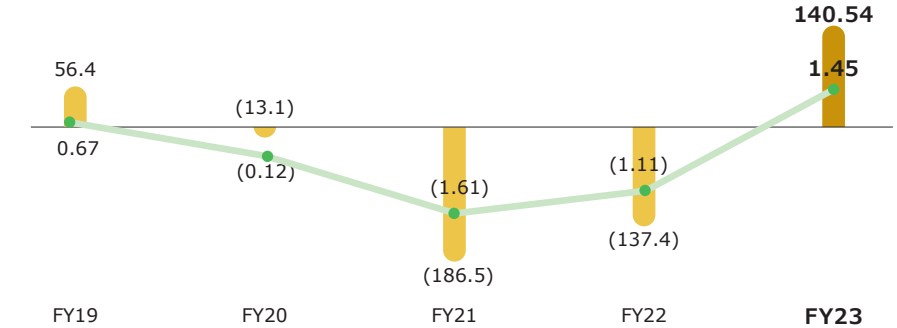
RoCE (%)



Economic Value Distributed (₹ Crores)



PAT AND EPS



● Profit After Tax (₹ Crores) ● Earnings Per Share (₹)

*The percentage for FY23 and FY22 is before a stamp duty expense ₹4.8 Crores and ₹15.3 Crores, respectively

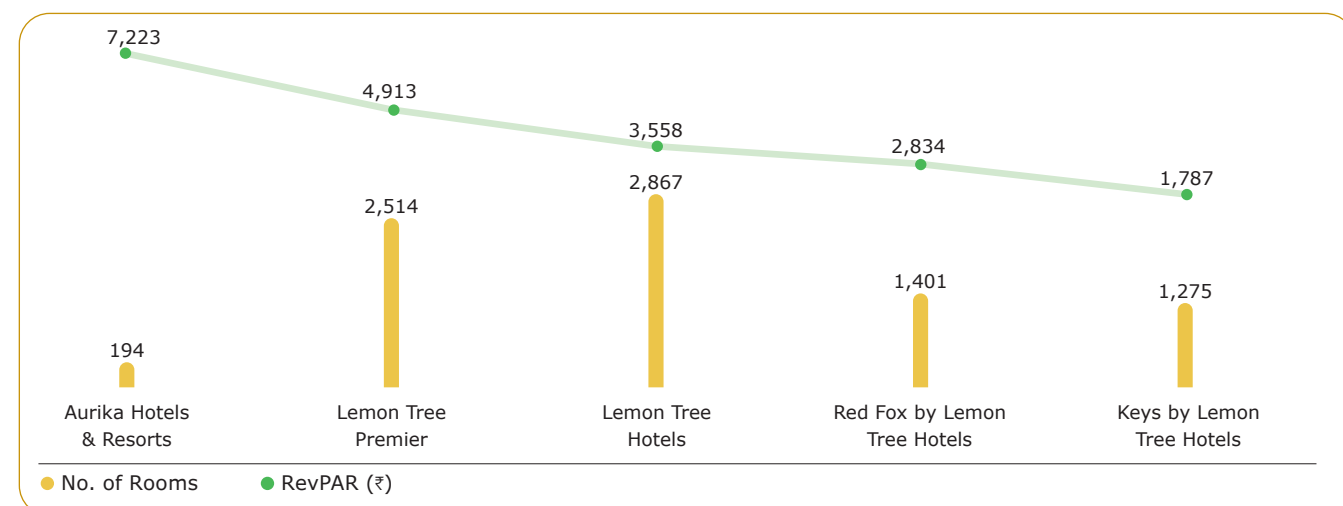
Scaling New Heights

This year, we expanded our portfolio to encompass 88 hotels across 56 destinations by launching 6 new managed and franchised properties, 2 of which were in new destinations. Additionally, we signed agreements for 23 new managed and franchised hotels. The owned portfolio is gearing up for a large inventory addition with the launch of Aurika, Mumbai Skycity in CY23.

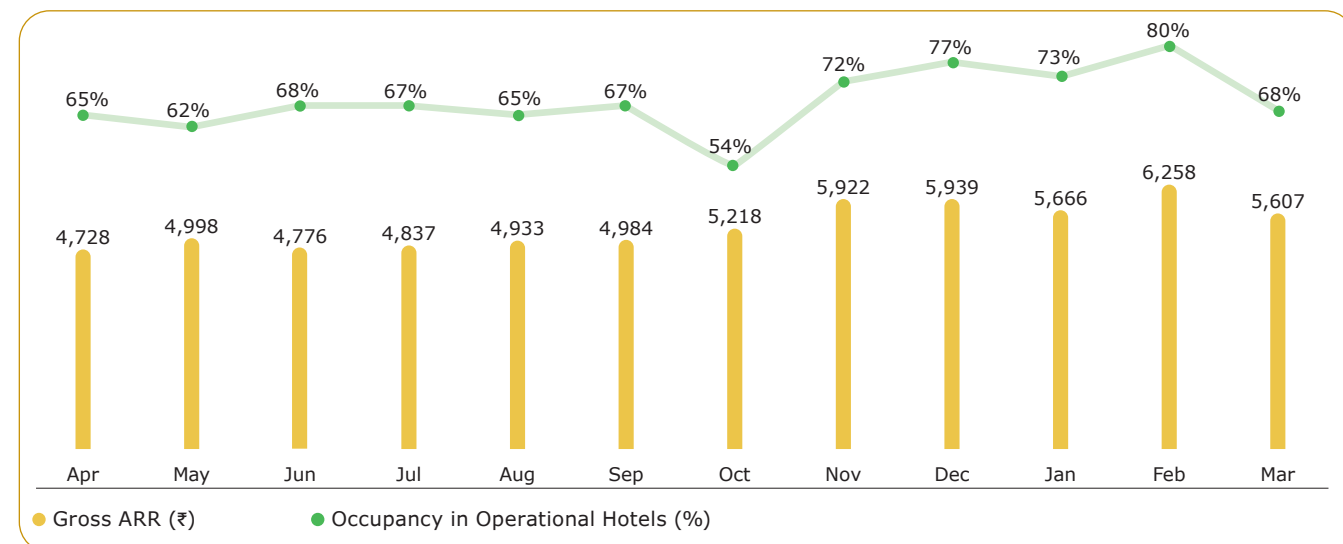
In FY23, the Indian travel and tourism industry experienced a robust recovery. Travel into and within India saw significant growth with the exit of the pandemic. This led to a considerable increase in demand for accommodation, primarily driven by domestic leisure

travel, weddings, social events, conferences and the resumption of business travel within India. Notably, foreign tourist arrivals surged to 6.19 million in the calendar year 2022, a significant rise from 1.52 million in 2021.

Brand-wise RevPAR

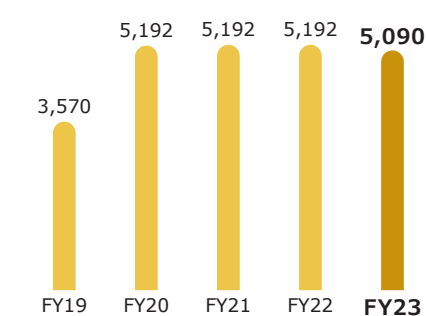


Month-wise ARR and Occupancy

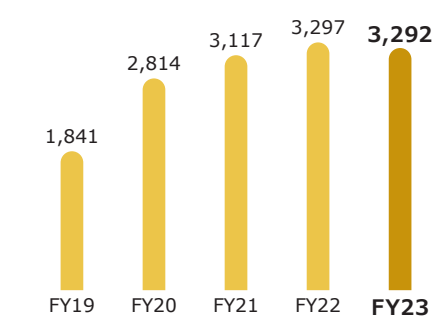


KEY OPERATIONAL METRICS

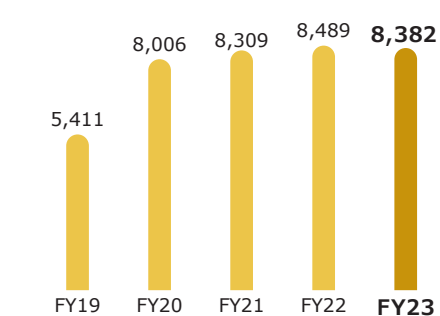
Owned/Leased Rooms



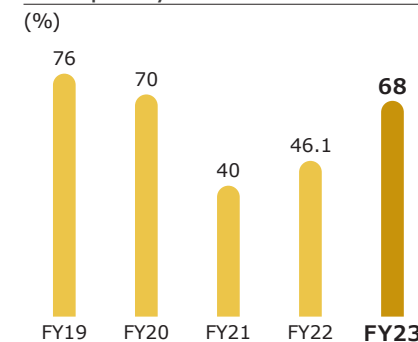
Managed/Franchised Rooms



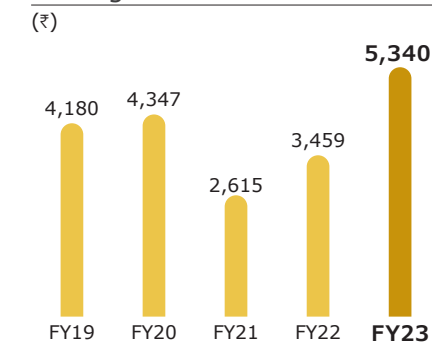
Total Rooms



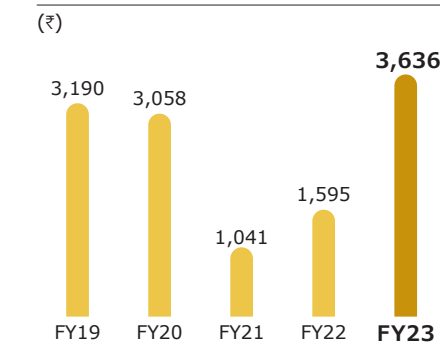
Occupancy Rate*



Average Room Rate*



RevPAR*



*Owned hotels only

Recognition for Excellence



In FY23, 72 out of 84 eligible hotels were awarded the Travelers' Choice Award by Tripadvisor: Aurika Hotels & Resorts (2); Lemon Tree Premier (14); Lemon Tree Hotels (36); Red Fox Hotels (10); Keys Prima by Lemon Tree Hotels (1); Key Select by Lemon Tree Hotels (8). This award is presented to recognise hotels and hotel groups that earn consistently great traveller reviews. Approximately 10% of businesses listed on Tripadvisor receive a Travelers' Choice Award.



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



Gold Award Winner, **World Responsible Tourism Awards 2022**



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



2022 Meaningful Business 100 (MB100) winner



Gold Certification (10 hotels), **Indian Green Building Council (IGBC)**



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**



In the Top 50 in 2022
#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**



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

OTHER ACCOMPLISHMENTS



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

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

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

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

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



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**

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Statement of Use		Lemon Tree Hotels Ltd. has reported with reference to the GRI Standards for the period between 1st April 2022 to 31st March 2023.	
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Applicable GRI Sector Standard(s)		None	
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	2-17 Collective knowledge of the highest governance body	Corporate Governance, BRSR	20, 169
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	2-30 Collective bargaining agreements	Social, BRSR	62, 178

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		Section	Page No.
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Gurugram-122002 Haryana
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 2022-23** (*hereinafter 'the Report'*) for the period April 1, 2022, to March 31, 2023, 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 2022 to 31st March 2023.

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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Gurugram-122002 Haryana
Board: +91 124 4252720
Web: www.felixadvisory.com
Email: info@felixadvisory.com

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

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GRI 304:	Biodiversity	304-1 to 304-4
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GRI 404:	Training & Education	404-3
GRI 405:	Diversity and Equal Opportunity	405-1

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

Limitations

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 2022 to 31st March 2023*). 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.

CIN: -U74140DL2013PTC248762



45, Arjun Marg, DLF Phase-1
Gurugram-122002 Haryana
Board: +91 124 4252720
Web: www.felixadvisory.com
Email: info@felixadvisory.com

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.

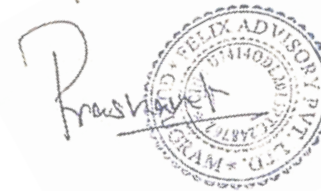
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- **Impact:** We are not aware of any matter that would lead us to believe that the Company does not monitor and measure and is not accountable for how their actions affect their stakeholder universe.
- **Reliability of sustainability performance information:** 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: - 16 - August - 2023
Place: - Delhi

CIN: -U74140DL2013PTC248762

Management Discussion and Analysis

Introduction and Macroeconomic view of India

In FY23, the global hospitality sector witnessed a huge rebound in performance. Because of the huge pent-up demand, hotel companies were no longer hesitant of increasing average room rates ('ARRs') without occupancies recovering to pre-covid levels. Ancillary revenue streams gained traction as well, with hotel operators being more creative in their pursuit of new revenue streams. Bleisure, wellness, medical tourism and ESG are the notable emerging trends in the sector that will drive further growth. Although strong demand boosted the sector, increased raw material costs, high labour expenses, and higher borrowing costs due to rising interest rates affected hotel operations and gross operating margins, nonetheless branded hotel occupancy in India recovered to almost pre-pandemic levels in FY23 and the industry has not looked back since. However, challenges like inflation, the Russia-Ukraine conflict and global recession fears pull back the industry to reach its full potential.

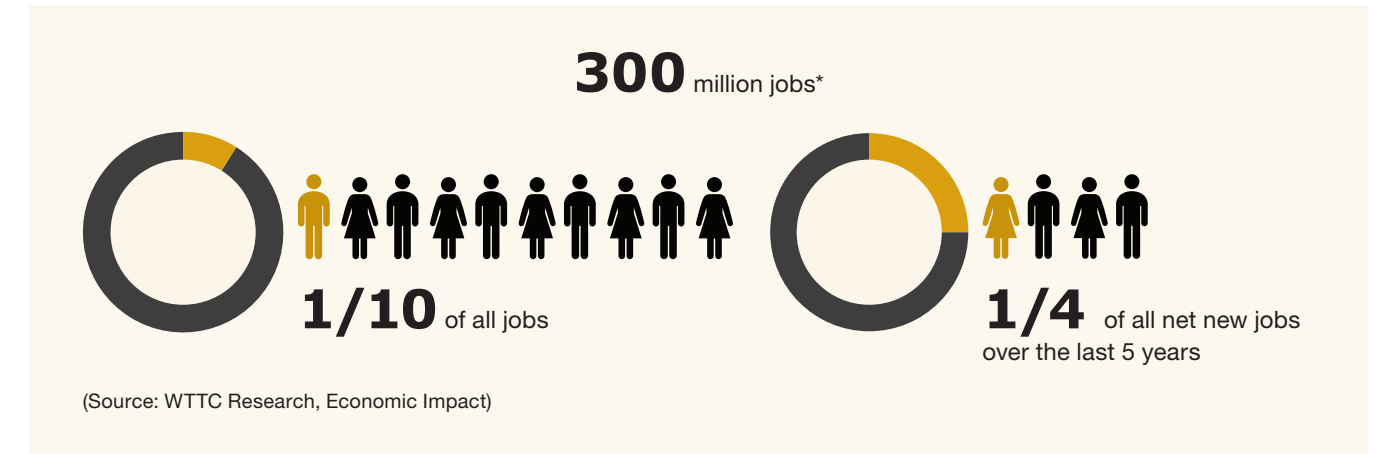
The long-term future of the industry looks bright with increasing disposable incomes and rise in spend on discretionary goods and services. India's long-term outlook looks stable and conducive to growth with India's exports touching an all-time high of \$ 770 Billion in FY23. The Indian economy will record growth of 7% for the FY23 which follows an 8.7% growth in the previous financial year. Similarly, the services sector

will record growth of 9.1% for the FY23 which follows an 8.4% growth in the previous financial year (Source: Economic survey of India). The normalisation of the contact-based service sector and revival of capital expenditures on the back of the production incentive scheme will keep the growth engines running and this bodes extremely well for the hospitality sector as well.

The contribution of the tourism and travel industry to GDP for India is expected to be \$512 Billion by 2028 with 53 million new jobs by 2029 (Source: Invest India Sector Snapshot). Historically, there has been high correlation between increase in foreign tourist arrivals and hotel occupancies. According to the Ministry of Tourism, Foreign Tourist Arrivals ('FTAs') in India in 2022 were 61.2 Lakhs with a positive growth rate of 303% as compared to 15.2 Lakhs in 2021 and a negative growth rate of -44% as compared to 109.3 Lakhs in 2019. With FTA's increasing every month and nearing pre-COVID levels, there is further room for occupancies to rise in the hospitality industry and surpass pre-covid levels.

Before the pandemic, the Travel and Tourism industry accounted for 1 in 4 of all net new jobs created across the world (direct and indirect) (Source: WTTC Research, Economic Impact) reduced drastically during the COVID-19 lockdown. The industry is now moving towards hiring of diverse talent and upskilling existing employees to overcome the manpower crunch amid a post-covid boom in hotel demand.

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



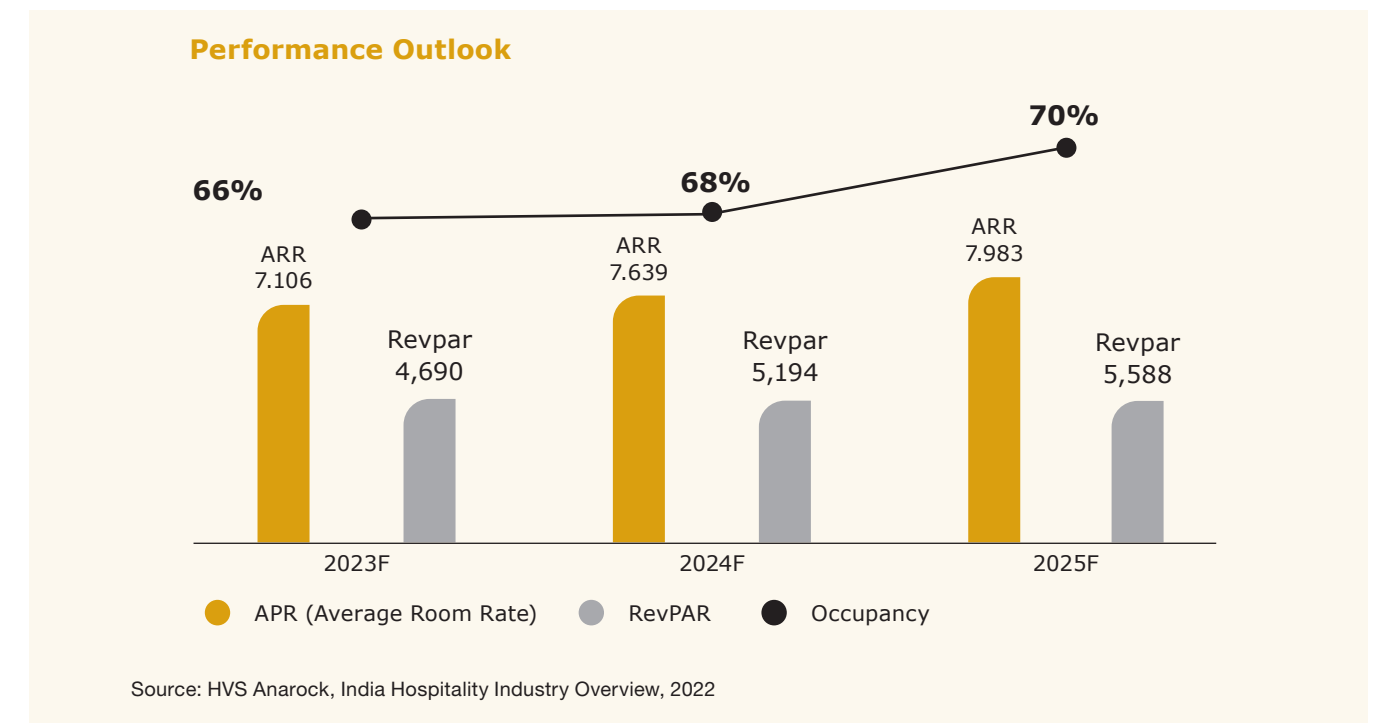
In the current economic scenario, with inflation and rising costs of construction there is a big opportunity in the near term for the hospitality industry with demand outpacing supply for the next few years. Being a high fixed cost business, the focus is to variabilise the fixed costs and transform the operating model into a leaner and more flexible model with multiple sources of revenue to diversify risk by exploring new business segments beyond the traditional segments.

Industry Outlook

The FY23 has been highly encouraging, and the Indian hospitality industry's prognosis remains strong. The

key tailwinds for domestic demand to remain strong are mainly resurgence in foreign travel, India's G20 presidency and the fact that India will host a number of international events, including the ICC Men's World Cup.

After peeking average daily rates ('ADRs') and occupancy in the FY19, the FY20 saw a dip due to the initial impact of COVID-19 in the month of March. However, the FY23 witnessed a huge jump in ARR and occupancy due to pent up demand. According to HVS Anarock, occupancy is expected to surpass pre-COVID levels by the end of calendar year 2024 due to low supply in the upcoming years.



Further, HVS anticipates the following trends in the years ahead (key takeaways from HVS Anarock, India Hospitality Industry Overview 2022):

- India's **G20 presidency until November 2023** will host over 200 meetings in 55 destinations, creating significant demand for hotels and boosting the hospitality sector. **Inbound tourism is expected to rebound** as the Ministry of Tourism capitalises on the opportunity to promote India as a major tourism destination, supported by visa reforms and traveller-friendly facilities. The successful organisation of these high-profile meetings will further **solidify India's position as a global MICE destination**, driving growth in the tourism and hospitality industry.
- Shift towards holistic wellness offerings, experiential and immersive travel experiences will attract tourists seeking a more enriching and transformative travel experience, fostering growth and diversification in India's tourism and hospitality industry with **emergence of unique new age wellness resorts**.
- Bleisure travel is gaining popularity in India, with a significant number of **Indian business travellers extending their trips for leisure purposes**. As international business travel and MICE events return, there is a growing opportunity for the hotel sector to cater to this trend by offering special packages and incorporating leisure elements into the guest experience and foster guest loyalty among corporate travellers.
- To meet changing guest expectations, hotels in the upscale, upper upscale and luxury segments will move towards more personalised offerings and utilise smart technology to enhance guest experiences. This **shift towards personalisation and advanced technology** will not only differentiate hotels from competitors but also provide guests with memorable experiences, ultimately shaping the future of the tourism and hospitality industry.
- The relaxation of travel restrictions and the devaluation of the rupee are expected to drive growth in medical tourism in India, with the country aiming to triple its revenue to \$13 billion within four years. Collaboration between hotels and healthcare facilities during the pandemic can be leveraged to create a **seamless medical tourism experience**, leading to increased revenue and the realisation of India's true potential in the tourism and hospitality industry.
- In India, hotel development traditionally focused on business destinations due to the dominance of

corporate travellers. However, there is now a **shift towards leisure hotel development** to cater to the growing demand, as leisure travellers tend to stay longer, utilise more services, and contribute to higher average rates, making it a more attractive investment for hoteliers and positively impacting the tourism and hospitality industry.

- As travellers opt for smaller and intimate places for their getaways, **unorthodox accommodation options such as villas and home rentals** are upcoming segments for the tourism industry of India in the future.
- The Indian hotel industry is urged to expand sustainability initiatives beyond operational practices to address environmental concerns and change public perception. Incorporating green technologies and resources in hotel construction for **net-zero consumption and employing gig workers while promoting multi-skilling among employees** can optimise costs, enhance efficiency, and improve the overall competitiveness of the tourism and hospitality industry.

Key Demand Drivers

Business Travel

Business travel comprises inbound and domestic visits for business-related purposes. This includes travel on corporate accounts, micro, small and medium enterprises ('MSME'), and individual business travelers. This segment is a predominant source of demand for hotels located in business-oriented locations such as Gurugram, Bengaluru, Hyderabad, and Pune. Even though corporate demand remains subdued relative to pre-COVID due to demand from large tech companies not fully coming back, the FY23 saw good MSME travel rebound and extensive corporate travel from other industries.

Leisure Travel

Leisure travel comprises vacation travel, including short-duration vacations. Greater affordability, changing attitudes towards lifestyle, and improved road and air connectivity have materially encouraged short-stay vacations, including those taken on weekends and extended weekends. Leisure travel demand will primarily be in leisure destinations like Goa, Udaipur, Jaipur, Dehradun, etc. Business-oriented locations also attract staycation business over the weekend or even leisure business if the city is also a tourist destination, like New Delhi. The FY23 continued demand from leisure travel and travel to drive-by destinations in the long-term as people's income rise the demand

for leisure travel will grow exponentially as people increase their discretionary spends.

MICE Demand

The MICE segment is mainly corporate-driven i.e. conferences, training programmes, and other events that are customer-facing and interactive. The demand tends to arise during the working week and occurs across all months of the year, barring the main holiday periods and the months from March through June. MICE demand tends to come with price sensitivity. Hotels in predominantly business locations will generate MICE demand for training and corporate seminars which could be a day or residential events. Conferences that include recreational elements choose city-center locations and resort destinations. The FY23 has seen continued demand in the MICE business with future demand looking extremely promising due to global events like G20 and ICC men's cricket world cup being held in India.

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 FY23, pent-up demand for weddings due to the lockdown in the previous year helped the industry post record growth in the number of wedding events.

Airlines and Airline Crew

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

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 connected through a regional hub.

Growth in Supply by City

According to Hotelivate Trend & Opportunities report 2022; Tier 1 cities (~40% of the proposed future supply) remain favoured destinations for hotel development, an increasing number of the hotel developers and operators are exploring opportunities in the Tier 3 markets (~35% of the proposed future supply), identifying the unaccommodated demand in these cities. Additionally, North and West India continue to be the preferred locations for hotel development with about 70% of the proposed supply.



📍 Ekaara, the ballroom, Aurika, Udaipur

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

Market	2022 (Existing Rooms)	2027 (Projected Rooms)
Agra	2,209	2,704
Ahmedabad	3,586	4,966
Amritsar	1,736	2,901
Bengaluru	14,022	20,824
Chandigarh	2,676	2,992
Chennai	9,763	10,604
Dehradun	624	1,640
Goa	8,244	11,054
Gurugram	6,151	8,474
Hyderabad	7,450	10,429
Jaipur	5,478	8,746
Kochi	2,585	2,887
Kolkata	4,878	5,731
Lucknow	1,884	3,184
Mumbai	13,217	18,626
Navi Mumbai	1,395	2,037
New Delhi	15,082	16,934
Noida	1,569	2,837
Pune	6,689	7,195
Udaipur	1,953	3,018

Source: Hotelivate, Trends & Opportunities 2022 Indian Hospitality report

Barriers to Entry

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

Land: Availability of land at an appropriate location and the high cost of available land create limitations on hotel development and viability. Limited development rights and end-use restrictions on available sites create further challenges.

Regulatory approvals: Hotels require several approvals and licenses starting from land approval for end-use to the opening of the hotels. The process of obtaining approvals is time-consuming and uncertainties associated with it lead to delays in the opening of hotels. Project delays lead to cost

escalation, difficulty in servicing the debt obligations, and sometimes impact the project quality.

Financing and capital requirement: In the backdrop of several hotel projects which are in debt default, bankers are extremely selective in providing development finance for hotel projects. Further, interest rates tend to be high. In addition, hotel projects require sizeable equity capital for project development to meet cash shortfalls during operations. Shortage of suitable equity capital is a significant constraint towards the development of hotels, particularly a portfolio of assets or hotels with a large inventory of rooms and other facilities. Further, an increase in interest rates poses a threat to the expansion plans of the company as the cost to fund new projects goes up.



Key Risks to the Business

Economic and Industry Risk

A slowdown in India's economic growth could hurt the hospitality business affecting both operational and financial performance. India's GDP has grown at a good pace in the past quarters and may find it difficult to sustain the same growth owing to international slowdown and geopolitical risks. An increase in power and fuel costs poses a huge threat to the hospitality industry as prices for airline tickets rise which directly affects Lemon Tree Hotels which targets price-sensitive customers. A rise in procurement costs due to an increase in the price of commodities has pressured the expenses of the company and might take a further hit in this inflationary environment. As people start traveling more due to pent-up demand, high competition among hotel chains will further put pressure on the company as people chase value for money and better deals driving prices down in the short run.

• **Mitigation** – Lemon Tree Hotels receives about ~85% of its business from domestic Indian travelers. The company has been able to build a strong brand name, which is synonymous with quality and trust. The expanded brand portfolio with 7 brands now addresses a wider spectrum of hotel consumers. As the leader of the mid-priced hotel segment, the company's goals are aligned with the aspirations of the expanding middle class. In FY23, the company has been focused on repricing its rooms in line with increasing demand to maximise profitability. With such flexible business strategies and an agile sales network, Lemon Tree Hotels has been able to sustain the fast recovery of occupancy and ARRs it was able to achieve in FY22. Along with this, the team focused on bringing in operational efficiencies by rationalising all cost and operating metrics, to achieve the EBITDA expansion strategy. We have made material effort to bring down our raw material cost by negotiating with our suppliers. All efforts combined; we have been able to record positive hotel-level operating profits at the group level. With our leaner structure and improved operating metrics, we are well-positioned to register better-operating margins on a stable basis.

Financial Risk

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

• **Mitigation**– Lemon Tree Hotels plans to optimise costs and grow in an asset-light way with an emphasis on managing and franchising third party owned hotels. Lemon Tree Hotels has adopted a two-pronged approach to tackle the challenges in the near term around the liquidity position. Throughout FY23, our sequential focus was on cost optimisation-ARR increases-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 a healthy operating EBITDA margin to enable us to meet our cash needs and service debt obligations. Additionally, we have timely arrangements of credit lines that provide us with the necessary support and cushion to be able to keep operations running in case the need arises.

Geographical Risk

Hospitality being an unorganised and highly fragmented industry has intense competition within geographic regions. This competition may impact the company's market share. A significant portion of our revenues comes from hotels in a few geographical regions and any adverse development affecting these regions could hurt our business.

Mitigation – As of March 31, 2023, Lemon Tree Hotels has a presence across 54 destinations within the country and in 2 overseas cities. To diversify our regional presence, Lemon Tree Hotels opened 6 new properties in Rishikesh, Ahmedabad, Vishakhapatnam, Mumbai, Uttarakhand and Kerala in FY23. This enabled the company to capture a larger share of the outbound traffic from these cities to other cities where we are already operational and further consolidate the inventory in the mid-market sector in these markets. Lemon Tree Hotels has further diversified into international locations with hotels in Dubai and Bhutan catering to outbound Indian traffic to these cities.

Health and Safety

To ensure the complete safety of our employees and our guests, we launched an innovative health and hygiene program, Rest Assured, showcasing the company's commitment to creating an environment focused on health, hygiene, safety, and wellbeing. 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.

Particulars	Year Ended			% change
	March 31, 2023		March 31, 2022	
	(Audited)		(Audited)	
	(₹ in Lakhs)			
Income				
Revenue from operations	87,499	40,224		118%
Other income	358	1,403		-75%
Total income	87,857	41,627		111%
Expenses				
Cost of food and beverages consumed	4,990	2,785		79%
Employee benefit expenses	14,973	9,732		54%
Other expenses:				
- Power and fuel	6,871	4,375		57%
- Stamp duty expense	478	1,525		-69%
- Others	15,429	9,940		55%
Total expenses	42,742	28,358		51%
Profit before depreciation and amortisation, finance cost, finance income	45,114	13,269		240%
Finance cost	18,235	18,094		1%
Finance income	-517	-696		-26%
Depreciation and amortisation expense	9,660	10,435		-7%
Net Profit/(Loss) before tax and share of associates	17,737	-14,563		
Add: Share of Profit/(Loss) of associates	87	104		
Profit/(Loss) before tax	17,824	-14,459		
Tax expense:				
- Current tax (including MAT)	2693	25		
- Deferred tax (including of MAT credit)	1077	-748		
Net Profit/(Loss) after tax	14,054	-13,736		
Re-measurements of defined benefit plans	23	45		
Income tax effect	-7	-2		
Total Comprehensive Profit/(Loss)	14,071	-13,693		
Cash Profit/(Loss)	23,714	-3,301		

Income

The company's total income has increased by 111% from ₹ 41,627 Lakhs during FY22 to ₹ 87,857 Lakhs during FY23.

- Revenue from operations increased by 118% from ₹ 40,224 Lakhs for FY22 to ₹ 87,499 Lakhs for FY23. This was driven by the recovery in the hospitality industry and by:
 - ARR led revenue growth. ARR of the company saw an increase of 54% in FY23 as compared to FY22
 - The revenue from food and beverages increased by 97% from ₹ 5,808 Lakhs for FY22 to ₹ 11,440 Lakhs for FY23
 - Occupancy increased by 2,197 bps from 46.1% in FY22 to 68.1% in FY23
- The company's fees from managed hotels also increased by 104% from ₹ 1,758 Lakhs for FY22 to ₹ 3,581 Lakhs for FY23.
- Lastly, Other Income decreased by 75% from ₹ 1,403 Lakhs for FY22 to ₹ 358 Lakhs for FY23.

Expenses

As operations stabilised during the year, total expenses increased by 51% from ₹ 28,358 Lakhs for FY22 to ₹ 42,742 Lakhs for FY23

- The cost of food and beverages consumed increased in line with the increase in Food and Beverages revenue from ₹ 2,785 Lakhs for FY22 to ₹ 4,990 Lakhs for FY23. Moreover, the cost of food and beverages consumed as a percentage of Food and Beverages revenue has improved from 48% for FY22 to 44% for FY23.
- Employee benefit expenses increased by 54% from ₹ 9,732 Lakhs for FY22 to ₹ 14,973 Lakhs for FY23 owing to redeployment of manpower in line with increase in demand and normal yearly increment in salaries.
- Power and Fuel expenses increased by 57% from ₹ 4,375 Lakhs for FY22 to ₹ 6,871 Lakhs for FY23; which is due to an increase in occupancy and change in business mix.

- Other expenses increased by 55% from ₹ 9,940 Lakhs for FY22 to ₹ 15,429 for FY23; which is due to an increase in overall business activities.
- The company incurred a one-off Stamp Duty expense in FY23 (pertaining to the merger of the subsidiary companies) of ₹ 478 Lakhs. This is a non-recurring expense and is in line with the company's business strategy.

FY23 primarily due to completion of the useful life of certain assets.

Finance Costs

Total debt marginally increased by 2.76% from ₹ 1,69,865 Lakhs for FY22 to ₹ 1,74,573 Lakhs for FY23. The finance cost increased by 1% from ₹ 18,094 Lakhs for FY22 to ₹ 18,235 Lakhs for FY23. The finance cost increased due increase of the company's weighted average cost of debt by 29 bps from 8.09% for FY22 to 8.38% for FY23.

Profit for the year (PAT)

The company's PAT for the year FY23 is ₹ 14,054 Lakhs up from a loss of ₹ 13,736 Lakhs for FY22. The improvement was majorly due uptick in the operational performance of the company and the lean cost control measures deployed by the company.

EBITDA

The company's EBITDA increased by 240% from ₹ 13,269 Lakhs for FY22 to ₹ 45,114 Lakhs for FY23. EBITDA margins increased by 1947 bps from 32% for FY22 to 51% for FY23. This was majorly due to cost rationalisation measures, focus on retail segment, churning of low paying corporates and focused strategy to reprice our hotels.

Depreciation and Amortisation

Depreciation and amortisation expenses decreased by 7% from ₹ 10,435 Lakhs for FY22 to ₹ 9,660 Lakhs for

Cash Profit (PAT + Depreciation)

The company's cash profit for the year FY23 is ₹ 23,714 Lakhs up from cash loss of ₹ 3,301 Lakhs in FY22.

Performance of Owned/Leased hotels by brand – FY23 vs. FY22

Parameters	Occupancy Rate (%)			Average Daily Rate (₹)			Hotel Level EBITDAR/ Room (₹ in Lakhs)			Hotel Level EBITDAR Margin %		
	FY23	FY22	Change (bps)	FY23	FY22	Change (%)	FY23	FY22	Change (%)	FY23	FY22	Change (bps)
AHR	49%	36%	1,294	14,639	13,574	8%	23.6	15.2	55%	64%	62%	145
LTP	76%	59%	1,669	6,464	3,658	77%	13.4	4.1	228%	60%	41%	1,891
LTH	69%	46%	2,277	5,154	3,418	51%	8.5	2.6	233%	51%	34%	1,663
RFH	70%	41%	2,925	4,025	2,657	51%	5.8	1.4	305%	55%	31%	2,340
Keys	54%	30%	2,385	3,332	2,177	53%	2.8	0.6	396%	37%	18%	1,921

Aurika

ADR increased by 8% from ₹ 13,574 for FY22 to ₹ 14,639 for FY23. Occupancy increased by 1,294 bps from 36% for FY22 to 49% for FY23. EBITDAR/room increased by 55% from ₹ 15.2 Lakhs for FY22 to ₹ 23.6 Lakhs for FY23. EBITDAR margin increased by 145 bps from 62% for FY22 to 64% for FY23.

by 233% from ₹ 2.6 Lakhs for FY22 to ₹ 8.5 Lakhs for FY23. EBITDAR margin increased by 1,663 bps from 34% for FY22 to 51% for FY23.

Lemon Tree Premier

ADR increased by 77% from ₹ 3,658 for FY22 to ₹ 6,464 for FY23. Occupancy increased by 1,669 bps from 59% for FY22 to 76% for FY23. EBITDAR/room increased by 228% from ₹ 4.1 Lakhs for FY22 to ₹ 13.4 Lakhs for FY23. EBITDAR margin increased by 1,891 bps from 41% for FY22 to 60% for FY23.

Red Fox Hotels

ADR increased by 51% from ₹ 2,657 for FY22 to ₹ 4,025 for FY23. Occupancy increased by 2,925 bps from 41% for FY22 to 70% for FY23. EBITDAR/room increased by 305% from ₹ 1.4 Lakhs for FY22 to ₹ 5.8 Lakhs for FY23. EBITDAR margin increased by 2,340 bps from 31% for FY22 to 55% for FY23.

Lemon Tree Hotels

ADR increased by 51% from ₹ 3,418 for FY22 to ₹ 5,154 for FY23. Occupancy increased by 2,277 bps from 46% for FY22 to 69% for FY23. EBITDAR/room increased

Keys Hotels

ADR increased by 53% from ₹ 2,177 for FY22 to ₹ 3,332 for FY23. Occupancy increased by 2,385 bps from 30% for FY22 to 54% for FY23. EBITDAR/room increased by 396% from ₹ 0.6 Lakhs for FY22 to ₹ 2.8 Lakhs for FY23. EBITDAR margin increased by 1,921 bps from 18% for FY22 to 37% for FY23.

Board's Report

TO, THE MEMBERS OF LEMON TREE HOTELS LIMITED

The Board of Directors of the Company has the pleasure in presenting the Thirty First (31st) Board Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

Financial Results and Operations

The financial performance on the basis of the Standalone & Consolidated Financial Statements for the Financial Year ended March 31, 2023, is summarised below:

Particulars	₹ in Lakhs			
	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	31,026.09	12,918.90	87,498.95	40,224.01
Other Income	63.79	298.51	357.65	1,402.99
Total Income	31,089.88	13,217.41	87,856.60	41,627.00
Total Expense	13,649.36	8,920.25	42,742.26	28,357.76
Profit before finance Cost, finance Income, depreciation and amortisation and tax	17,440.52	4,297.16	45,114.34	13,269.24
Less: Finance Costs	4,482.83	4,794.36	18,234.65	18,093.70
Less Finance Income	(369.92)	(339.73)	(517.41)	(695.92)
Less: Depreciation and amortisation	1,995.23	2,103.29	9,660.16	10,434.75
Profit / (Loss) before tax expense & Share of Profit of associates	11,332.38	(2,260.76)	17,736.94	(14,563.29)
Share of Profit of associate	-	-	86.88	104.06
Profit / (Loss) before tax	11,332.28	(2,260.76)	17,823.82	(14,459.23)
Tax Expense:				
- Current Tax (including MAT)	1,992.24	-	2,692.87	25.24
- Deferred Tax (including of MAT credit)	1,303.09	(654.98)	1,076.95	(748.30)
Profit / (Loss) for the Year	8,037.05	(1,605.78)	14,054.00	(13,736.17)
Add: Other Comprehensive Income / Expense for the year	13.38	4.60	16.83	42.97
Total Comprehensive Income/ (Loss)	8,050.43	(1,601.18)	14,070.83	(13,693.20)
Less: Non - controlling Interest	-	-	2,600.37	(4,975.98)
Total Comprehensive Income / (Loss) for the year attributable to Equity Holders of the Parent	8,050.43	(1,601.18)	11,470.46	(8,717.22)
Earning / (Loss) per Equity Share (Face value of ₹ 10 each)				
Basic	1.02	(0.20)	1.45	(1.11)
Diluted	1.02	(0.20)	1.45	(1.11)

Further, key financial and operational highlights of the Company are also provided in the Management Discussion and Analysis forming part of this Board 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 remained at ₹ 7,92,24,64,640/- divided into 79,22,46,464 equity shares with a face value of ₹ 10/- each.

Operational Hotels and Upcoming Projects

Lemon Tree Hotels Limited is a Company engaged in the 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 the Integrated Report 2022-23.

Awards and Recognition

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

- Gold Certification by the Indian Green Building Council (I.G.B.C.) for 5 hotels
 - Lemon Tree Premier, Ulsoor Lake, Bengaluru
 - Lemon Tree Hotel, Electronics City, Bengaluru
 - Lemon Tree Hotel, Gachibowli, Hyderabad
 - Lemon Tree Premier, Mumbai International Airport
 - Aurika, Udaipur
- Keys Select by Lemon Tree Hotels, Thiruvananthapuram – Chief Minister's Excellence Award for Labour Welfare
- Lemon Tree Premier, Dwarka – Asia's Biggest Tourism Awards, organised by the Ministry of Tourism Gujarat:
 - Best 4 Star Hotel in Dwarka
 - Best Restaurant in Dwarka
 - Best MICE Venue in Dwarka
- TripAdvisor Traveller's Choice Award 2022 – 61 out of 80 eligible hotels:
 - Aurika Hotels & Resorts - 1
 - Lemon Tree Premier –14
 - Lemon Tree Hotels –31
 - Red Fox by Lemon Tree Hotels –8
 - Keys Select by Lemon Tree Hotels –7
- HRANI Award of Excellence during 7th HRANI Conclave:
 - Lemon Tree, East Delhi Mall, Kaushambi awarded as "Best MICE Hotel – Ghaziabad"

– General Manager of the Hotel awarded as the "Best General Manager –Midscale"

Board of Directors & Key Managerial Personnel (KMP)

The details of the Directors and KMP [as per Companies Act, 2013 ('Act')] of the Company as on March 31, 2023, are given herein below:

S. No.	Name of Directors/ KMP's	Designation
1	Mr. Patanjali Govind Keswani	Chairman & Managing Director
2	Mr. Niten Malhan*	Vice Chairman and Lead Independent Non-Executive Director
3	Mr. Willem Albertus Hazeleger	Non-Executive Director
4	Mr. Aditya Madhav Keswani	Non-Executive Director
5	Mr. Paramartha Saikia	Independent Non-Executive Director
6	Mrs. Freyan Jamshed Desai	Independent Non-Executive Director
7	Dr. Arindam Kumar Bhattacharya	Independent Non-Executive Director
8	Mr. Kapil Sharma	Chief Financial Officer
9	Mr. Nikhil Sethi	AVP Legal & Group Company Secretary

* Mr. Niten Malhan was re-designated as Vice Chairman and Lead Independent Non-Executive Director by resolution of the Board of Directors w.e.f February 10, 2023

Changes in Board of Directors/KMPs

Appointments

During the Financial Year under review, Mrs. Freyan Jamshed Desai and Mr. Paramartha Saikia, Independent Non-Executive Directors of the Company have been re-appointed in the Annual General Meeting held on September 14, 2022, for a further term of 5 years effective June 15, 2022.

Further, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved the re-appointment of Mr. Patanjali Govind Keswani, Chairman and Managing Director for a further period of 3 years w.e.f April 1, 2023, subject to the approval of shareholders by way of special resolution. The Company has circulated the postal ballot notice to the shareholders of the Company for approval of his re-appointment.

Further, the Nomination and Remuneration Committee and the Board of Directors at its meeting held on May 30, 2023, have recommended the re-appointment of Dr. Arindam Kumar Bhattacharya w.e.f April 11, 2024, for a further period of 5 years subject to the approval of the shareholders in the ensuing Annual General Meeting.

In accordance with the Act and the Articles of Association of the Company, 1 (one) of the Directors, viz. Mr. Willem Albertus Hazeleger will retire by rotation, and being eligible, offers himself for re-appointment.

Shareholder approval for the aforesaid re-appointment of Dr. Arindam Kumar Bhattacharya, Independent Non-Executive Director and Mr. Willem Albertus Hazeleger, Non-Executive 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. Ashish Kumar Guha and Mr. Arvind Singhania ceased to be Independent Non-Executive Directors w.e.f. September 14, 2022 and Mr. Pradeep Mathur ceased to be an Independent Non-Executive Director w.e.f. December 4, 2022 since the resolutions with respect to their re-appointment were not passed by the shareholders by requisite majority in the Annual General meeting held on September 14, 2022.

The Board appreciated the valuable services rendered by them during their tenure with the Company.

Declaration by Independent Directors

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

Committees of the Board

As on March 31, 2023, the Board has the following mandatory Committees:

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

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

Apart from the above-mentioned Committees, the details of the compositions, meetings held during the

Financial Year under review and attendance of the members of the following non-mandatory Committees are given in 'Annexure-1' to this Board Report:

- (a) Finance Committee;
- (b) Share Allotment Committee;
- (c) General Management Committee.

Board Meetings

During the Financial Year under review, the Board met four (4) times and the details of the Board Meetings held indicating the number of meetings attended by each Director is provided in the Corporate Governance Report attached as 'Annexure-5' to this Board Report.

Annual Board Evaluation

To comply with the provisions of Section 134(3)(p) of the Act and rules made thereunder and Regulation 17(10) of the 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, organisation's health and talent management.

Further, to comply with the Regulation 25(4) of SEBI (LODR) Regulations, the Independent Non-Executive Directors also evaluated the performance of the Non-Independent Non-Executive Directors, Chairman and Board as a body at a separate meeting of the Independent Non-Executive Directors held on May 29, 2023.

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 by the Board, the performance of the Board, its committees and individual Directors (including Independent Non-Executive 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 victimisation. The policy is available in the 'Investor Relations' section at the Company's website <https://investors.lemontreehotels.com/corporate-governance-coc-and-vigil-mechanism.html>. During the

Financial Year under review, no concerns have been received by the Company from any of the Directors, Officers, employees and associates pertaining to the Code of Conduct and Vigil Mechanism/Whistle Blower Policy.

Risk Management Policy

The Company has in place a 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 <https://www.lemontreehotels.com/factsheet/Policies/Risk-Management-Policy.pdf>. There has been no change in the policy during the Financial Year under review. The Company has a system in place for identification of risks associated with the Company's objectives, operations, development, revenue and regulations and appropriate measures are taken, wherever required, to mitigate such risks beforehand.

The Risk Management Committee has a Risk Management Framework in place with a standardised methodology, tools, and procedures for identifying and monitoring the Company's material business risks.

The Company has in place a Compliance Framework to cover compliances applicable across the Company's corporate office and hotels. This framework assigns the responsibility of compliance execution and review to the respective compliance owners and 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 the organisation and, in consultation with the management and the Audit Committee, also suggest the appropriate measures which can be taken by the Company in this regard.

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

Nomination and Remuneration Policy

The Company has in place a Nomination and Remuneration Policy which lays down the criteria for appointment, evaluation of performance of Directors and remuneration of Directors, KMP, Senior Management Personnel and other employees. There has been no change in the policy since the last Financial Year. The Nomination and Remuneration Policy is attached as 'Annexure-2' to this Board Report.

During the Financial Year under review, the Company has taken necessary approval/recommendation with respect to appointment/re-appointment of Directors/

KMP, wherever required, from Nomination and Remuneration Committee in accordance with the terms of the policy.

Corporate Social Responsibility ("CSR") Policy

The Company has in place a 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 <https://www.lemontreehotels.com/factsheet/Policies/Corporate-Social-Responsibility-Policy.pdf>.

The report on CSR Activities for the Financial Year under review 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 Board Report.

Dividend Distribution Policy

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

Policy on Appointment and Rotation of Auditors

The Policy on Appointment and Rotation of Auditors in compliance with the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014 is available in the 'Investor Relations' section at the Company's website <https://www.lemontreehotels.com/factsheet/Policies/Rotation-of-Auditors-Policy.pdf>.

Policy on Board Diversity

During the Financial Year under review, in compliance with the requirements of the terms of reference of the Nomination and Remuneration Committee, a Policy on Board Diversity to enhance the quality of performance of the Board has been approved by the Nomination and Remuneration Committee in their meeting held on February 10, 2023. The policy is available in the 'Investor Relations' section at the Company's website <https://www.lemontreehotels.com/factsheet/Policies/Policy-on-Board-Diversity.pdf>.

Subsidiary Companies, Associate Companies and Joint Ventures

As on March 31, 2023, the Company has fifteen (15) Direct Subsidiary Companies and nine (9) Indirect Subsidiary Companies and three (3) Associate Companies:

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, Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited) and Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited).

During the Financial Year under review, a wholly owned subsidiary of the Company viz: Totally Foxed Solutions Private Limited has been incorporated with the objective of carrying out the digital transformation of Lemon Tree Group and the creation of hospitality digital platform.

During the Financial Year under review, the Company has acquired a 25.10% shareholding of Carnation Hotels Private Limited from Mr. Rattan Keswani and thereafter Carnation Hotels Private Limited has become a Wholly Owned Subsidiary of the Company.

Merger/Amalgamation of Wholly Owned Subsidiaries of the Company

The shareholders are apprised that the Company has received the first motion order from the National Company Law Tribunal, New Delhi ("NCLT") w.r.t the Scheme of Amalgamation ("Scheme") of Wholly Owned Subsidiary(ies) of the Company viz. Valerian Management Services Private Limited ("Transferor Company No. 1"), Grey Fox Project Management Company Private Limited ("Transferor Company No. 2"), PSK Resorts & Hotels Private Limited ("Transferor Company No. 3") and Dandelion Hotels Private Limited ("Transferor Company No. 4", (Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 together referred as "Transferor Companies") with Lemon Tree Hotels Limited ("Transferee Company") for dispensation of convening a meeting of equity shareholders and creditors of the Transferor Companies and dispensation of convening a meeting of secured creditors and convening a meeting of shareholders and unsecured creditors of the Transferee Company.

The NCLT court convened meeting of equity shareholders and unsecured creditors was held on January 19, 2023 for approval of the Scheme and the Scheme has been duly passed by the shareholders and creditors. Further, the Company has also filed the Second Motion Application with the NCLT on January 31, 2023, and the final date of hearing is fixed for June

9, 2023. On the approval of the Scheme by the NCLT, the Transferor Company (ies) shall be amalgamated with the Company w.e.f April 1, 2022 (Appointed Date of Scheme).

Indirect Subsidiary Companies

Berggruen Hotels Private Limited, Bandhav Resorts Pvt. Ltd., Celsia Hotels Pvt. Ltd., Inovia 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, 2023, the Company has three (3) Associate Companies viz. Mind Leaders Learning India Pvt. Ltd, Pelican Facilities Management Pvt. Ltd. and Glendale Marketing Services Private Limited.

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

In accordance with Section 129(3) of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014, the consolidated financial statements of the Company and all its Subsidiary Companies, Associate Companies and joint venture companies have been prepared by the Company and a report on the performance and financial position of each of the Subsidiary Companies, Associate Companies and Joint Ventures 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 <https://investors.lemontreehotels.com/financials-subsidiaries.html>. 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 on the Company's performance, industry trends and other material changes with respect to the Company, its Subsidiary Companies and Associate Companies, wherever applicable, has been given separately and forms part of this Board Report.

Business Responsibility and Sustainability Report

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

Integrated Report

The Company has voluntarily adopted an Integrated Report during the previous financial year. The Integrated Report for the Financial Year under review is prepared in alignment with the Integrated Reporting Framework laid down by the International Integrated Reporting Council and aims at presenting the value creation approach for our stakeholders.

Corporate Governance

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

In compliance with the provisions of Regulations 34(3) of the SEBI (LODR) Regulations, a separate report on Corporate Governance together with a certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations is attached as 'Annexure-5' to this Board 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 increased from ₹ 34,172.83 Lakhs in the previous year to ₹ 35,260.87 Lakhs in the current year.

Employees Stock Option Scheme

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

A certificate from the Secretarial Auditors of the Company that the scheme has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be placed at the ensuing Annual General Meeting for inspection by shareholders of the Company.

Further, during the Financial Year under review, 684,850 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 the Companies (Share Capital and Debentures) Rules, 2014 with regard to Employee's Stock Option Plan of the Company are given herein below and the information required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available at the Company's website <https://investors.lemontreehotels.com/corporate-governance-esop-scheme.html>.

Sr. No.	Description	ESOP Scheme
a)	Options Granted	-
b)	Options Vested	-
c)	Options Exercised*	-
d)	Total number of shares arising as a result of exercise of option	-
e)	Options lapsed*	N.A.
f)	The exercise price (On weighted average basis)**	-
g)	Variation of terms of options	N.A.
h)	Money realised by exercise of options (if scheme is implemented directly by the Company)	N.A.
i)	Total number of options in force	-
j)	Employee wise details for options granted to:-	
	(i) Key Managerial Personnel:	
	a) Mr. Kapil Sharma (Chief Financial Officer)	N.A.
	b) 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 Board 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 Board 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures;
- they have selected such accounting policies in consultation with the 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 ended March 31, 2023 and of the profit and loss of the Company for the Financial Year ended on that date;
- 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 Act. for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditor and Auditors' Report

Statutory Auditors

M/s Deloitte Haskins & Sells, LLP (FRN:117366W/W-100018), Chartered Accountants have been re-appointed as Statutory Auditors of the Company in the Annual General Meeting held on September 14, 2022 for a further period of 5 years upto conclusion of the Annual General Meeting of the Company to be held in Calendar Year 2027.

The reports given by the Statutory Auditors on the Standalone Financial Statements of the Company and the Consolidated Financial Statements of the Company and the Subsidiary and Associate Companies for the Financial Year ended March 31, 2023, forms part of this Board 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 Audit 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 Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

As per Regulation 24A of the SEBI (LODR) Regulations, the Secretarial Audit Report of the unlisted material Subsidiary Companies conducted for the Financial Year ended March 31, 2023, by the Practicing Company Secretaries are annexed as 'Annexure-9' to this Board Report. None of the said Secretarial Audit Report contains any qualification, reservation or adverse remark or disclaimer.

Further, the Board of Directors of the Company, has appointed M/s DPV & Associates LLP, Practicing Company Secretaries to conduct the Secretarial Audit for the FY24 in accordance with Section 204 of the Act.

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, and 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.

Name of the Subsidiaries	Maximum loans outstanding during the year 2023	As at March 31, 2023	Maximum loans outstanding during the year 2022	₹ in Lakhs	
				As at March 31, 2022	As at March 31, 2022
Carnation Hotels Private Limited	-	-	2.72	-	-
Canary Hotels Private Limited	166.91	46.91	1493.98	91.91	91.91
Oriole Dr. Fresh Hotels Private Limited	290.56	102.77	169.00	169.00	169.00
Sukhsagar Complexes Private Limited	1,020.00	415.00	210.00	210.00	210.00
Red Fox Hotel Company Private Limited	2.11	2.11	2.11	2.11	2.11
Grey Fox Project Management Company Private Limited	122.07	122.07	12.00	0.07	0.07
Dandelion Hotels Private Limited	11.00	11.00	11.00	11.00	11.00
PSK Resorts & Hotels Private Limited	3.00	3.00	3.00	3.00	3.00
Lemon Tree Hotel Company Private Limited	2.00	2.00	2.00	2.00	2.00
Totally Foxed Solutions Private Limited	435.00	435.00	-	-	-

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, the Company has formulated a Policy on Dealing with Related Party Transactions which has been amended during the Financial Year under review. The Policy can be accessed in the 'Investor Relations' section at the Company's website https://www.lemontreehotels.com/factsheet/Policies/Related_Party_Transaction_Policy.pdf. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all material transactions between the Company and related parties.

All contracts / arrangements / transactions entered by the Company with related parties during the Financial Year under review 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 Financial Year under review. Further, you may refer to other Related Party Transactions in Note No. 33 and Note No. 38 of the Standalone and Consolidated Financial Statements.

Further, the details required in terms of Regulation 34(3) of the SEBI (LODR) Regulations with respect to loans 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. The Company has not provided any security covered under Section 186 of the Act & accordingly the disclosure requirement does not apply.

Annual Return

In accordance with Section 92(3) of the Act read with rules made thereunder, the Annual Return of the Company in Form MGT-7 has been placed on the website of the company, https://www.lemontreehotels.com/factsheet/Policies/LTHL_Annual_Return_2023.pdf.

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 to which the Financial Statements relate and the date of this Board 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 the Companies (Accounts) Rules, 2013, the measures taken during the Financial Year under review for conservation of energy and technology absorption by the Company in the operation of its hotels are as follows:

A. Conservation of Energy:

Lemon Tree Hotels is committed to maintaining eco-friendly and energy conservation practices across all of its hotel properties. The Company strongly believes in conservation and accordingly has implemented many eco-friendly processes for energy and water preservation, waste management disposal, measures to control water, noise and environmental pollution. Our existing and upcoming hotels are designed and constructed to qualify for the L.E.E.D Gold Standard.

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

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

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

The capital investment on energy conservation requirements:

The Company has made capital investments in the installation and commissioning of solar photo voltaic systems at its hotels to capture free solar energy for reducing the energy requirement and in the 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, UAE and Bhutan. However, no know how and technology has been imported during the financial year under review. However, efforts have been made to imbibe various new technologies like green building, rainwater harvesting, use of plumbing faucets, and sewage treatment plants.

Research & Development:

The Company during the Financial Year under review 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, 2023	Year Ended March 31, 2022
1.	Earning in Foreign Currency	1,722.59	585.11
2.	Outgo in Foreign Currency		
	-Value of Capital Goods Imported on CIF basis	-	-
	-Commission/ Advertisement and business promotion	138.72	92.09

Dividend on Equity Shares

The Company does not propose any dividend on the shares of the Company for the Financial Year ended March 31, 2023.

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 Auditors and the Internal Auditors routinely conduct system checks and give their report after evaluation of the efficacy and adequacy of the Company's internal control systems including controls with respect to the financial statements, compliance with operating systems, accounting procedures and policies. Based on the report of the Internal Auditors, the departments undertake corrective action in their respective areas and thereby strengthen the controls. 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 Audit Committee, Statutory Auditors and Internal Auditors.

Cost Records and Cost Audit

Maintenance of cost records and the 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 the Secretarial Standards on Board and General meetings issued by the 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 the Insolvency and Bankruptcy Code, 2016 during the Financial Year under review.

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 banks during the Financial 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 Financial Year under review, no complaint was received by the Corporate Ethics Committee formed in this regard.

Further, an Internal Complaints Committee is also in place at all hotel locations and no complaint has been received during the Financial Year under review.

Green Initiative

Pursuant to Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and the Companies (Accounts) Rules, 2014, the

Company can send Notice of Annual General Meeting, financial statements and other communications in electronic form.

The Company shall be sending this Board Report including the Notice of Annual General Meeting, Audited Financial Statements, along with annexures etc. for the Financial Year ended March 31, 2023, 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 shareholders holding shares in dematerialised 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.

Appreciation

The Board of 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

DATE: May 30, 2023 Chairman & Managing Director
PLACE: New Delhi DIN:00002974

Annexure(s) to the Board's Report

i. Finance Committee Meetings

During the Financial Year under review, two (2) Finance Committee meetings were held on April 27, 2022, and July 12, 2022.

Attendance of Committee Members for the Financial Year ended March 31, 2023:

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

* Mr. Pradeep Mathur ceased to be an Independent Non-Executive Director of the Company and member of the Finance Committee w.e.f December 4, 2022.

ii. Share Allotment Committee Meeting

During the Financial Year under review, no Share Allotment Committee meeting was held.

Name of the Member	Designation
Mr. Paramartha Saikia	Chairman & Member
Mr. Patanjali Govind Keswani	Member
Mr. Ashish Kumar Guha*	Member

* Mr. Ashish Kumar Guha ceased to be an Independent Non-Executive Director of the Company and member of the Share Allotment Committee w.e.f September 14, 2022.

iii. General Management Committee Meetings

During the Financial Year under review, six (6) General Management Committee meetings were held on April 27, 2022, May 30, 2022, July 20, 2022, August 29, 2022, November 25, 2022, and February 13, 2023

Attendance of Committee Members for the Financial Year ended March 31, 2023:

Name of the Member	Designation	No. of Meetings Attended
Mr. Patanjali Govind Keswani	Chairman & Member	6
Mr. Paramartha Saikia	Member	1
Mr. Aditya Madhav Keswani	Member	6

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

Patanjali Govind Keswani
Chairman & Managing Director
DIN:00002974

DATE: May 30, 2023
PLACE: New Delhi

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:

- "Act" means Companies Act, 2013 including the applicable Rules & regulations;
- "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;
- "Directors" means Directors of the Company appointed in terms of provisions of the Act;
- "Independent Director" means a director referred to in Section 149 (6) of the Act;
- "Key Managerial Personnel" or "KMP" in relation to a company, means:
 - Chief Executive Officer ('CEO') or the Managing Director ('MD') or the Manager;
 - Company Secretary;
 - Whole-time Director ('WTD');
 - Chief Financial Officer; and
 - such other officer as may be prescribed;
- "NRC" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board;
- "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;

- "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:

- Directors viz. Executive, Non-executive and Independent
- Key Managerial Personnel
- Senior Management Personnel
- 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:

- 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 section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- d. The Company shall not appoint or continue the employment of any person as MD/WTD/ Manager who is below the age of twenty-one years or has attained the age of seventy years. Provided that the appointment of a person who has attained the age of seventy years may be appointed with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for appointment of such person.

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

- 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.
- 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.
- 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.

- 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

- The NRC or the Board may review the Policy as and when it deems necessary.
- The NRC may issue the guidelines, procedures, formats, reporting mechanism for better implementation of this Policy, wherever it thinks necessary.
- This Policy may be amended or substituted, in whole or in part, by the NRC or Board.
- 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 Board of Directors of
Lemon Tree Hotels Limited

Patanjali Govind Keswani

DATE: May 30, 2023
PLACE: New Delhi

Chairman & Managing Director
DIN:00002974

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 Act read with Rule 6 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per the CSR Policy the Company shall undertake any CSR activities/projects/programmes 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 Member	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)	Independent Non-Executive Director	1	1
2	Mr. Patanjali Govind Keswani (Member)	Chairman and Managing Director	1	1
3	Mr. Aditya Madhav Keswani (Member)	Non-Executive Director	1	1
4	Mrs. Freyan Jamshed Desai (Member)	Independent Non-Executive Director	1	0

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

The composition of the CSR Committee and the CSR Policy approved by the Board are available in the 'Investors Relation' section at the Company's website https://www.lemontreehotels.com/factsheet/Policies/Corporate_Social_Responsibility_Policy.pdf. 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 Applicable

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

6. Average net profit of the company as per section 135(5): ₹ (332.88) Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Nil

(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: Not Applicable

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

8. (a) CSR amount spent or unspent for the financial year: Not Applicable

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

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Project Schedule VII to the Act	Local area (Yes/No)	Location of the project State/District	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 - Through CSR Name Registration number

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project. State District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency - Through implementing agency Name CSR registration number

(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): Nil

(g) Excess amount for set off, if any

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

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

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	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(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

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

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- 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 and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Date: May 30, 2023
Place: New Delhi

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Paramartha Saikia
Chairman-CSR Committee
DIN: 07145770

Statement Containing Salient Features of the Financial Statement of Subsidiary Companies/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	SI. No.	1	2	3	4	5	6	7	8
2	Name of the Subsidiary	Fleur Hotels Pvt. Ltd.	Canary Hotels Pvt. Ltd.	Carnation Hotels Pvt. Ltd.	Dandelion Hotels Pvt. Ltd. *	Lemon Tree Hotel Company Pvt. Ltd. *	Manakin Resorts Pvt. Ltd.	Oriole Dr. Fresh Hotels Pvt. Ltd.	Sukhsagar Complexes Pvt. 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
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.
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.
6	Share Capital#	9,783.15	5,009.45	9.35	1.15	3.50	571.43	370.00	1,019.50
7	Reserves & surplus	1,50,236.08	(1,910.39)	1,779.48	248.59	(4.27)	808.85	1,179.25	100.98
8	Total Assets	2,82,418.99	4,561.32	2,767.40	260.82	1.34	1,452.11	4,518.60	4,695.75
9	Total Liabilities	1,22,399.76	1,462.26	978.57	11.08	2.10	71.83	2,969.35	3,575.27
10	Investments**	-	-	-	-	-	-	-	-
11	Turnover	37,424.72	1,152.77	2,632.67	-	-	198.54	750.98	1,169.79
12	Profit/(Loss) before taxation	3,575.05	21.94	1,192.03	(0.49)	(0.41)	(8.01)	(60.73)	178.81
13	Provision for taxation	-	-	312.95	-	-	40.69	-	-
14	Profit/(Loss) after taxation	3,575.05	21.94	879.08	(0.49)	(0.41)	(48.70)	(60.73)	178.81
15	Proposed Dividend	-	-	-	-	-	-	-	-
16	% of shareholding***	58.91%	100%	100%	100%	100%	100%	100%	100%

									(₹ in Lakhs)
1	SI. No.	9	10	11	12	13	14	15	16
2	Name of the Subsidiary	PSK Resorts & Hotels Pvt. Ltd.*	Red Fox Hotel Company Pvt. Ltd. *	Grey Fox Project Management Company Pvt. Ltd.	Valerian Management Services Pvt. Ltd.	Hamstede Living Pvt. Ltd.	Nettle Hotels Pvt. Ltd*(Formerly known as Poplar Homestead Holdings Pvt. Ltd.)	Arum Hotels Pvt. Ltd*(formerly known as Jessamine Stays Pvt. Ltd.)	Madder Stays Pvt. Ltd.*
3	Date since when subsidiary was acquired	13.02.2009	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.	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.
6	Share Capital#	118.69	3.00	455.01	1.00	2950.00	1.00	1.00	1.00
7	Reserves & surplus	2,218.86	(3.93)	(382.03)	(368.62)	(2,665.21)	(1.03)	(1.04)	(0.99)
8	Total Assets	2,340.66	1.27	439.56	7.23	285.38	0.09	0.05	0.09
9	Total Liabilities	3.11	2.20	366.58	374.85	0.59	0.12	0.09	0.08
10	Investments**	-	-	-	-	-	-	-	-
11	Turnover	-	-	5.00	19.29	-	-	-	-
12	Profit/(Loss) before taxation	(0.55)	(0.38)	(115.82)	(47.03)	0.38	(0.23)	(0.24)	(0.19)
13	Provision for taxation	-	-	-	-	(1.09)	-	-	-
14	Profit/(Loss) after taxation	(0.55)	(0.38)	(115.82)	(47.03)	1.47	(0.23)	(0.24)	(0.19)
15	Proposed Dividend	-	-	-	-	-	-	-	-
16	% of shareholding***	100%	100%	100%	100%	100%	100%	100%	100%

(₹ in Lakhs)									
1	Sl. No.	17	18	19	20	21	22	23	24
2	Name of the Subsidiary	Totally Foxed Solutions Pvt. Ltd.	Celsia Hotels Pvt. Ltd.	Inovoa Hotels And Resorts Ltd.	Iora Hotels Pvt. Ltd. *	Ophrys Hotels Pvt. Ltd.*	Hyacinth Hotels Pvt. Ltd.	Bandhav Resorts Pvt. Ltd	Berggruen Hotels Pvt. Ltd
3	Date since when subsidiary was acquired	11.08.2022	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.	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.
6	Share Capital#	801.00	3.53	3,828.00	1,955.80	2.50	82.10	131.11	5,455.16
7	Reserves & surplus	(9.14)	7,627.71	(1,622.88)	36,447.53	(3.96)	1,668.27	1,276.18	26,397.27
8	Total Assets	1,248.15	11,962.58	6,680.54	65,951.74	0.64	24,721.43	1,469.80	47,307.29
9	Total Liabilities	456.29	4,331.34	4,475.42	27,548.41	2.10	22,971.06	62.51	7,332.95
10	Investments**	-	-	-	-	-	-	-	-
11	Turnover	-	3,212.41	2,139.19	-	-	7,249.89	242.61	7,080.39
12	Profit/(Loss) before taxation	(0.50)	1,166.52	500.90	(122.06)	(0.42)	1,272.77	(8.66)	(382.78)
13	Provision for taxation	-	366.95	293.87	2.71	-	-	-	-
14	Profit/(Loss) after taxation	(0.50)	799.57	794.77	(124.77)	(0.42)	1,272.77	(8.66)	(382.78)
15	Proposed Dividend	-	-	-	-	-	-	-	-
16	% of shareholding***	100%	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": Associate Companies and Joint Ventures

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

(₹ in Lakhs)			
Sl. No.	1	2	3
Name of the Associate Companies/Joint Ventures	Mind Leaders Learning India Private Limited	Pelican Facilities Management Pvt. Ltd	Glendale Marketing Services Private Limited
1	Last audited Balance Sheet Date	31.03.2023	31.03.2023
2	Date on which the Associate or Joint Venture was associated or acquired	06.06.2017	20.06.2017
3	Shares of Associate held by the Company at year end: (Number)		
	Amount of investment in Associate	₹ 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 Pelican Facilities Management Pvt. Ltd
5	Reason why the associate/joint venture is not consolidated		N.A.
6	Net worth attributable to shareholding as per latest audited balance sheet	1,242.52	-
	Profit for the year(Consolidated)		
	Considered in consolidation	86.88	N.A.
	Not considered in consolidation	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

Date: May 30, 2023

Place: New Delhi

Nikhil Sethi

AVP Legal & Group Company Secretary

Mem No.: A18883

Corporate Governance Report

Introduction

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

Company's Philosophy on Corporate Governance

The Company's corporate governance philosophy revolved around fair and transparent governance and disclosure practices in line with the Principles of Good Corporate Governance. This philosophy is backed by principles of concerns, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, clients, associates and the community at Large. The Company believes that good Corporate Governance is a continuous process and strives to improve its Corporate Governance practices to meet

shareholder's expectations. The business is governed and supervised by a strong Board of Directors and together with the management they are committed to uphold the principles of excellence across all activities.

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

Composition of the Board

The Company is managed and controlled through the Board which comprises a combination of Executive and Non-Executive Directors (including Independent Non-Executive Directors) headed by the Executive Chairman. As on March 31, 2023, the Board consists of 7 Directors, 4 of which were Independent Non-Executive 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. Niten Malhan*	Vice Chairman and Lead Non-Executive Independent Director
3	Mr. Aditya Madhav Keswani	Non-Executive Director (Promoter Director)
4	Mr. Willem Albertus Hazeleger	Non-Executive Director
5	Dr. Arindam Kumar Bhattacharya	Independent Non-Executive Director
6	Mr. Paramartha Saikia	Independent Non-Executive Director
7	Mrs. Freyan Jamshed Desai	Independent Non-Executive Director

* Mr. Niten Malhan was re-designated as Vice Chairman and Lead Independent Non-Executive Director by the Board of Directors w.e.f February 10, 2023.

Notes:

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 met four (4) times on May 27, 2022, August 2, 2022, November 11, 2022, and February 10, 2023. The maximum gap between any two Board meetings was less than one hundred and twenty (120) days. All Board meetings during the Financial Year under review were held either in person or through Video Conferencing (VC) and deemed venue of the meetings held through VC is Registered & Corporate Office of the Company at Asset No. 6, Aerocity Hospitality District, New Delhi-110037, India.

The agenda papers and detailed notes are circulated to the Board well in advance of every meeting. Where it is not practicable to attach any document to the agenda, then the same is placed before the Board at the meeting and in special circumstances additional items on the agenda are taken up at the meeting. The conduct of the Board meetings is in compliance with the applicable provisions of the Act and the Secretarial Standards on meetings of the Board of Directors issued by the Institute of Company Secretaries of India. In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting.

Director's Attendance Record and Directorships/Committee Membership

Details of Attendance of Directors at Board Meetings held during the financial year under review and at Company's last Annual General Meeting along with number of other Directorship and Chairmanship/ Membership of Committees of each Director:

Name of the Director	Designation / Category	No. of Board Level Committee Memberships / Chairmanships in other Indian Public Companies (5)		Attendance Particulars			No. of Directorships (1)	Name of other Listed Entities in which they are director and Category
		Member	Chairman	No. of Board Meetings		Attendance at last AGM		
				Held/entitled to attend	Attended			
Mr. Patanjali Govind Keswani	Promoter/Executive Chairman & Managing Director	1	0	4	4	Yes	10	-
Mr. Niten Malhan*	Vice Chairman and Lead Independent Non-Executive Director	3	1	4	2	Yes	4	1) Max Ventures and Industries Limited (Independent Director) and 2) Max India Limited (Independent Director)
Mr. Aditya Madhav Keswani	Promoter/ Non-Executive Director	0	0	4	4	Yes	6	-
Mr. Willem Albertus Hazeleger	Non-Executive Director	0	0	4	3	Yes	1	-
Mr. Ashish Kumar Guha**	Independent Non-Executive Director	1	1	2	2	Yes	2	-
Mr. Arvind Singhania**	Independent Non-Executive Director	0	0	2	1	Yes	2	1) Ester Industries Ltd (Chairman & Managing Director)
Mr. Pradeep Mathur**	Independent Non-Executive Director	1	1	3	2	Yes	3	-
Dr. Arindam Kumar Bhattacharya	Independent Non-Executive Director	4	0	4	3	No	5	1) Bajaj Holdings and Investment Limited (Independent Director) 2) Info Edge India Limited (Independent Director)
Mr. Paramartha Saikia	Independent Non-Executive Director	2	0	4	4	Yes	7	1) Salora International Limited (Independent Director)
Mrs. Freyan Jamshed Desai	Independent Non-Executive Director	2	1	4	3	Yes	1	-

* Appointed as Chairman of the Audit Committee w.e.f December 4, 2022, in place of Mr. Pradeep Mathur.

** Ashish Kumar Guha and Mr. Arvind Singhania ceased to be an Independent Non-Executive Director of the Company effective September 14, 2022, and Mr. Pradeep Mathur, ceased to be an Independent Non-Executive Director of the Company effective December 4, 2022.

Notes:

- (1) The directorships held by the Directors as mentioned above (including the Company) does not include alternate directorships and directorships in foreign companies, companies registered under Section 8 of the Act and Private Limited Companies.
- (2) None of the Directors of the Company hold directorships in more than twenty (20) Companies or more than ten (10) public companies whether listed or not. Necessary disclosures regarding directorship positions in other companies as on March 31, 2023, have been made by the Directors.
- (3) None of the Directors on the Board is a member of more than ten (10) committees or Chairperson of more than five (5) committees (as specified in Regulation 26 of the SEBI (LODR) Regulations in all public limited companies, whether listed or not, in which he or she is a director
- (4) The independence of a Director is determined by the criteria stipulated under Regulation 16(1)(b) of the SEBI (LODR) Regulations, Section 149(6) of the Act 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 the Company) have been considered.
- (6) Includes attendance, if any, through Video Conferencing facilities, provided to the Directors to facilitate participation in the meetings.

Independent Non-Executive Directors

Mr. Niten Malhan, Dr. Arindam Kumar Bhattacharya, Mr. Paramartha Saikia and Mrs. Freyan Jamshed Desai were the Independent Non-Executive Directors of the Company as on March 31, 2023.

Terms and conditions of appointment of Independent Non-Executive Directors have been disclosed on the website of the Company, https://www.lemontreehotels.com/factsheet/Policies/Terms_and_Condition_for_Appointment_of_Independent_Directors.pdf.

None of the Independent Non-Executive Directors serves in more than seven (7) listed companies nor does any Independent Non-Executive Director who is a Whole Time Director in any other company serve as an Independent Non-Executive Director in more than three (3) listed companies.

All the Independent Non-Executive Directors have given the necessary declarations in terms of Section 149(7) of the Act and the SEBI (LODR) Regulations

that they meet the criteria of independence as laid down under Section 149(6) of the Act and the SEBI (LODR) Regulations and the Board hereby confirms that the Independent Non-Executive Directors fulfill the conditions specified in these regulations and are independent of the management.

Independent Non-Executive Directors Meeting

A separate meeting of the Independent Non-Executive Directors was held on May 29, 2023, without the presence of the Executive Directors, the Non-Independent Non-Executive Directors and members of the management.

The Independent Non-Executive Directors in the said meeting had, interalia:

- i. reviewed the performance of Non-Independent Non-Executive Directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and the non-independent Non-Executive Directors;
- iii. assessed the quality, quantity, and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Company does not have any pecuniary relationship with any Non-Executive Director (including any Independent Non-Executive Director) except for payment of sitting fees to the Independent Non-Executive Directors for attending the Board and Committees' meetings.

Familiarisation Programme for Independent Directors

The Company follows an orientation and familiarisation programmes through reports/internal policies/presentations to enable them to understand their roles and responsibilities, the nature of the industry in which the Company operates, the business model of the Company, and its strategic and operating plans. The Code of Conduct for the Directors, the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, the Code of Practices and Procedures 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 made from time to time at the Board and Committees' 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 familiarisation programme for the Independent Directors are available on the website of the Company at https://www.lemontreehotels.com/factsheet/Policies/Familiarization_Programme_for_Independent_Directors.pdf

Matrix Setting out the Skills / Expertise / Competence of the Board of Directors

The Board of Directors has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Leadership	Leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, succession planning 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 the 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 the Director	Business	Leadership	Strategy and Planning	Governance	Financial	Sales & Marketing
Mr. Patanjali Govind Keswani	✓	✓	✓	✓	✓	✓
Mr. Aditya Madhav Keswani	✓	✓	✓	✓		
Mr. Willem Albertus Hazeleger	✓	✓	✓	✓	✓	
Dr. Arindam Kumar Bhattacharya	✓	✓	✓	✓	✓	
Mr. Paramartha Saikia	✓	✓		✓		✓
Mr. Niten Malhan	✓	✓	✓	✓	✓	
Mrs. Freyan Jamshed Desai	✓	✓		✓	✓	

Shares and Convertible Instruments Held by Non-Executive Directors

The shareholding of Non-Executive Directors as on March 31, 2023, is as follows:

Name of the Director	Designation	No. of Shares Held (face value of ₹ 10 each)
Mr. Niten Malhan	Vice Chairman and Lead Independent Non-Executive Director	-
Dr. Arindam Kumar Bhattacharya	Independent Non-Executive Director	6,95,490
Mr. Paramartha Saikia	Independent Non-Executive Director	1,36,800
Mrs. Freyan Jamshed Desai	Independent Non-Executive Director	-
Mr. Willem Albertus Hazeleger	Non-Executive Director	-
Mr. Aditya Madhav Keswani	Non-Executive Director	-

As on March 31, 2023, the Company does not have any convertible instruments.

Committees of Board of Directors

The mandatory Committees constituted by the Board of Directors of the Company are:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. Corporate Social Responsibility Committee;
4. Stakeholder's Relationship Committee; and
5. Risk Management Committee.

The composition of all the mandatory Committees meets the requirements of the Act and the SEBI (LODR) Regulations.

The details of the role and composition of the Committees of the Board including the number of meetings held during the Financial Year under review and attendance there at, are provided below.

During the Financial Year under review, a Sustainability Committee has also been constituted, the composition and role of the same are also provided below.

Audit Committee

Brief terms of reference:

The terms of reference of the Audit Committee satisfy the requirement of Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (LODR) Regulations.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Chairman of the Committee is financially literate and all other members of the Audit Committee have accounting or related financial management expertise.

The Audit Committee of the Company, inter alia, performs the following functions:

- a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending to the Board, the appointment, reappointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

c. Approving payment to statutory auditors for any other services rendered by the statutory auditors.

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- 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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or 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 victimisation 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 utilised for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulations.
- x. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
 - y. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
 - z. Any other matter as may be prescribed, from time to time, to be referred to the Audit Committee in terms of the Companies Act 2013/ SEBI (LODR) Regulations and the applicable rules, regulations thereto.

Composition, Meetings and Attendance of the Audit Committee

The Audit Committee constituted is in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations.

During the Financial Year under review, the Audit Committee met four (4) times on May 26, 2022, August 2, 2022, November 10, 2022, and February 9, 2023 with the necessary quorum being present at each meeting.

Name of the Members	Status	Category	No. of Meetings attended
Mr. Niten Malhan*	Chairman and Member	Independent Non-Executive Director	2
Dr. Arindam Kumar Bhattacharya	Member	Independent Non-Executive Director	2
Mrs. Freyan Jamshed Desai	Member	Independent Non-Executive Director	4
Mr. Ashish Kumar Guha**	Member	Independent Non-Executive Director	2
Mr. Pradeep Mathur***	Chairman & Member	Independent Non-Executive Director	2

*Appointed as Chairman of the Audit Committee w.e.f December 4, 2022, in place of Mr. Pradeep Mathur.

**Mr. Ashish Kumar Guha, ceased to be an Independent Non-Executive Director and member of the Audit Committee of the Company effective September 14, 2022.

*** Mr. Pradeep Mathur, ceased to be an Independent Non-Executive Director of the Company and Chairman & Member of the Audit Committee effective December 4, 2022.

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 the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 19 of the SEBI (LODR) Regulations and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Committee also acts as Compensation Committee and is responsible for administering the Employee Stock Option Plan of the Company and determining eligibility of employees for stock options.

The Nomination & Remuneration Committee of the Company, inter alia, performs the following functions:

- 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:

- use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
 - Devising a policy on diversity of the Board.
 - 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.
 - Extension or continuance of the terms of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
 - 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).
 - recommend to the board, all remuneration, in whatever form, payable to senior management
 - Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI (LODR) Regulations or by any other applicable law or regulatory authority.

Composition, Meetings and Attendance of the Nomination & Remuneration Committee

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

During the Financial under review, the Nomination & Remuneration Committee met two (2) times on May 27, 2022, and February 10, 2023, with the necessary quorum being present at each meeting:

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

*Mr. Pradeep Mathur, ceased to be an Independent Non-Executive Director of the Company and member of the Nomination and Remuneration Committee effective December 4, 2022.

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

Remuneration of Directors

Details of remuneration paid or payable to Directors for the Financial Year ended March 31, 2023:

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	349.93	N.A.	31.03.2026	N.A.	349.93
Mr. Niten Malhan	Vice Chairman and Lead Independent Non-Executive Director	Nil	1.50	05.11.2025	N.A.	1.50
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**	Independent Non-Executive Director	Nil	0.70	14.06.2022	N.A.	0.70
Mrs. Freyan Jamshed Desai	Independent Non-Executive Director	Nil	1.85	14.06.2027	N.A.	1.85
Mr. Arvind Singhanian**	Independent Non-Executive Director	Nil	0.25	14.06.2022	N.A.	0.25
Mr. Paramartha Saikia	Independent Non-Executive Director	Nil	1.90	14.06.2027	N.A.	1.90
Mr. Pradeep Mathur**	Independent Non-Executive Director	Nil	0.90	04.12.2022	N.A.	0.90
Dr. Arindam Kumar Bhattacharya***	Independent Non-Executive Director	Nil	1.25	10.04.2024	N.A.	1.25

* Mr. Patanjali Govind Keswani has been re-appointed as Chairman and Managing Director w.e.f April 1, 2023, in the Board Meeting held on February 10, 2023, subject to the approval of the shareholders through postal ballot. The results of the postal ballot shall be declared on or before June 15, 2023.

** Mr. Ashish Kumar Guha and Mr. Arvind Singhanian ceased to be an Independent Non-Executive Director of the Company effective September 14, 2022, and Mr. Pradeep Mathur, ceased to be an Independent Non-Executive Director of the Company effective December 4, 2022.

*** Dr. Arindam Kumar Bhattacharya abstained from taking sitting fees till December, 2022.

[^] There are no severance fees payable to any of the Directors.

^{^^} The Independent Non-Executive Directors were paid sitting fees of ₹ 25,000/- for attending each meeting of the Board and ₹ 10,000/- for each committee meetings. The Board of Directors at their meeting held on February 10, 2023, on the recommendation of Nomination and Remuneration Committee has increased the sitting fees to ₹ 75,000/- for attending each meeting of the Board and ₹ 50,000/- for each Audit Committee and Nomination and Remuneration Committee meeting and ₹ 10,000/- for all other Committees of the Board attended by them.

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

The Independent Non-Executive Directors are not paid any remuneration other than sitting fees for attending the meetings of the Board and Committee meetings as approved by the Board.

There has been no pecuniary relationship or transaction of the Non-Executive Directors vis-a-vis the Company during the Financial Year under review 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 Schedule VII of the Act.

The terms of reference of the Corporate Social Responsibility Committee include the following:

- 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.
- To recommend the amount of expenditure to be incurred on the activities referred to in (a).
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- To do such other acts, deeds and things as may be required to comply with the applicable laws.
- 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 and Attendance of the Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted with the following members in compliance with the provisions of Section 135 of the Act.

During the Financial Year under review, one (1) meeting of the Corporate Social Responsibility Committee has been held on May 27, 2022, with the necessary quorum being present at the meeting.

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

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/Corporate_Social_Responsibility_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 the SEBI(LODR) Regulations, for redressal of investor complaints, shareholders related issues, transfer/transmission of securities etc.

The terms of reference of the Stakeholders Relationship Committee include the following:

- 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.
- Allotting of equity shares, giving effect to all transfer/ transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, splitting and issuing of duplicate/ consolidated share certificates, complying with all the requirements related to shares, debentures and other securities from time to time.

- Reviewing statutory compliances pertaining to share/security capital, processes, shareholders and depositories (NSDL/CDSL).
- 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.
- Review of measures taken for effective exercise of voting rights by shareholders
- 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,
- Review of the various measures 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.
- 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 constituted is in compliance with the provisions of Section 178 (5) of the Act and the SEBI (LODR) Regulations.

During the Financial Year under review, one (1) meeting of the Stakeholder's Relationship Committee has been held on May 27, 2022 with necessary quorum being present at the meeting:

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

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 of Regulation 21 of the SEBI (LODR) Regulations and the terms of reference of the Risk Management Committee inter alia include the following:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically Faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cybersecurity risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 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 constituted is in compliance with the provisions of Regulation 21 of the SEBI (LODR) Regulations.

During the Financial Year under review, three (3) meetings of the Risk Management Committee have been held on May 27, 2022, November 11, 2022, and February 10, 2023, with the necessary quorum being present at the meeting:

Name of the Members	Status	Category	No. of Meetings attended
Mrs. Freyan Jamshed Desai*	Chairperson and Member	Independent Non-Executive Director	1
Mr. Patanjali Govind Keswani	Member	Executive Chairman & Managing Director	3
Dr. Arindam Kumar Bhattacharya	Member	Independent Non-Executive Director	1
Mr. Niten Malhan	Member	Independent Non-Executive Director	2
Mr. Pradeep Mathur**	Chairman & Member	Independent Non-Executive Director	1
Mr. Vikramjit Singh	Member	Senior Management (President)	3
Mr. Kapil Sharma	Member	Senior Management (Chief Financial Officer)	3

* Mrs. Freyan Jamshed Desai has been inducted as Chairperson and Member of the Committee w.e.f December 4, 2022.

** Mr. Pradeep Mathur ceased to be an Independent Director of the Company and Chairman and Member of the Committee w.e.f. December 4, 2022.

Sustainability Committee

During the Financial Year under review, the Sustainability Committee has been constituted by the Board of Directors in their meeting held on February 10, 2023 with the following members and no meeting has been held during the Financial Year under review.

General Body Meeting

The date, time, and venue of the last three Annual General Meetings are given below.

Financial Year	Date	Time	Venue	Special Resolution Passed
2021-22	14.09.2022	03.00 P.M	Meeting was held through Video Conferencing / Other Audio-Visual Means facility. (Deemed Venue - Regd. Office: Lemon Tree Hotels Limited, Asset No. 6, Aerocity Hospitality District, New Delhi-110037)	Yes
2020-21	30.09.2021	03.00 P.M	Meeting was held through Video Conferencing / Other Audio-Visual Means facility. (Deemed Venue - Regd. Office: Lemon Tree Hotels Limited, Asset No. 6, Aerocity Hospitality District, New Delhi-110037)	No
2019-20	29.09.2020	03.00 P.M	Meeting was held through Video Conferencing / Other Audio-Visual Means facility. (Deemed Venue - Regd. Office: Lemon Tree Hotels Limited, Asset No. 6, Aerocity Hospitality District, New Delhi-110037)	Yes

Name of the Members	Status	Category
Mrs. Freyan Jamshed Desai	Member	Independent Non-Executive Director
Mr. Patanjali Govind Keswani	Member	Executive Chairman & Managing Director
Mr. Kapil Sharma	Member	Senior Management (Chief Financial Officer)
Mr. Jagdish K Chawla	Member	Senior Management (EVP – Projects and Engineering)
Mr. Vikramjit Singh	Member	Senior Management (President)
Ms. Aradhana Lal	Member	Senior Management (SVP – Sustainability & ESG)

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

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

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 under review 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

No special resolution was passed by the postal ballot during the last three years. However, the Company has send the Notice of Postal ballot dated April 28, 2023 to the shareholders of the Company on May 12, 2023 for passing of the following resolutions:

Sr. No.	Resolutions Proposed
1	Approval for re-appointment of Mr. Patanjali Govind Keswani, as Chairman and Managing Director, as a special resolution
2	Approval of the limits for furnishing of corporate guarantee for and on behalf of Iora Hotels Private Limited, Related Party, as an ordinary resolution
3.	Approval of the limits for furnishing of corporate guarantee for and on behalf of Fleur Hotels Private Limited, Related Party, as an ordinary resolution

The results of the postal ballot shall be declared on or before June 15, 2023.

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 on which the Companies shares are listed to enable them to put these on their websites and communicate to their members. The Quarterly/ Half Yearly/Annual Financial Results are published in English and Hindi language newspapers normally in the Financial Express and Jansatta. Moreover, the Management Discussion and Analysis as well as the Business Responsibility and Sustainability Report also forms part of this Board Report. The Company is electronically filling all reports/information including quarterly results, shareholding pattern, Corporate Governance Report and so on, on the website of the NSE at www.nseindia.com and on the website of the BSE at www.bseindia.com

The Company also ensures that the details of its business, financial information, investor presentations, shareholding pattern, compliance with corporate governance, policies, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances including all other mandatory disclosures are promptly and prominently displayed on the website of the Company at www.lemontreehotels.com.

Prohibition of Insider Trading

During the Financial Year under review, the Company has in place a Code of Conduct for Prohibition of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is uploaded on the website of the Company at https://www.lemontreehotels.com/factsheet/Policies/Code_of_Conduct_for_Regulation_Monitoring_and_Reporting.pdf.

General Shareholder Information

A. Annual General Meeting:

The date of the Annual General Meeting for the Financial Year under review is yet to be finalised by the Board. The date/cut-off date for the purpose of remote e-voting shall be communicated to shareholders through Notice of Annual General Meeting. The meeting shall be held through video conferencing in compliance with the provisions of the Act/ SEBI (LODR) Regulations.

B. Financial Year

The Financial Year of the Company starts from 1st day of April and ends on the 31st day of March of next year.

Financial Calendar 2023 (tentative)

First Quarter Results: First/Second week of August, 2023

Second Quarter Results: First/Second week of November, 2023

Third Quarter Results: First/Second week of February, 2024

Audited Annual Results for the year ending on March 31, 2024: Third/Fourth week of May, 2024

C. Dividend Payment Date

The Directors of the Company have not recommended any dividend for the Financial Year under review.

D. Name and Address of Stock Exchange and Date of Listing

S. No.	Name and address of the Stock Exchange	Date	Stock Code
1	National Stock Exchange of India Limited C-1, Block G, Bandra Kurla Com-plex 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 FY24 have been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

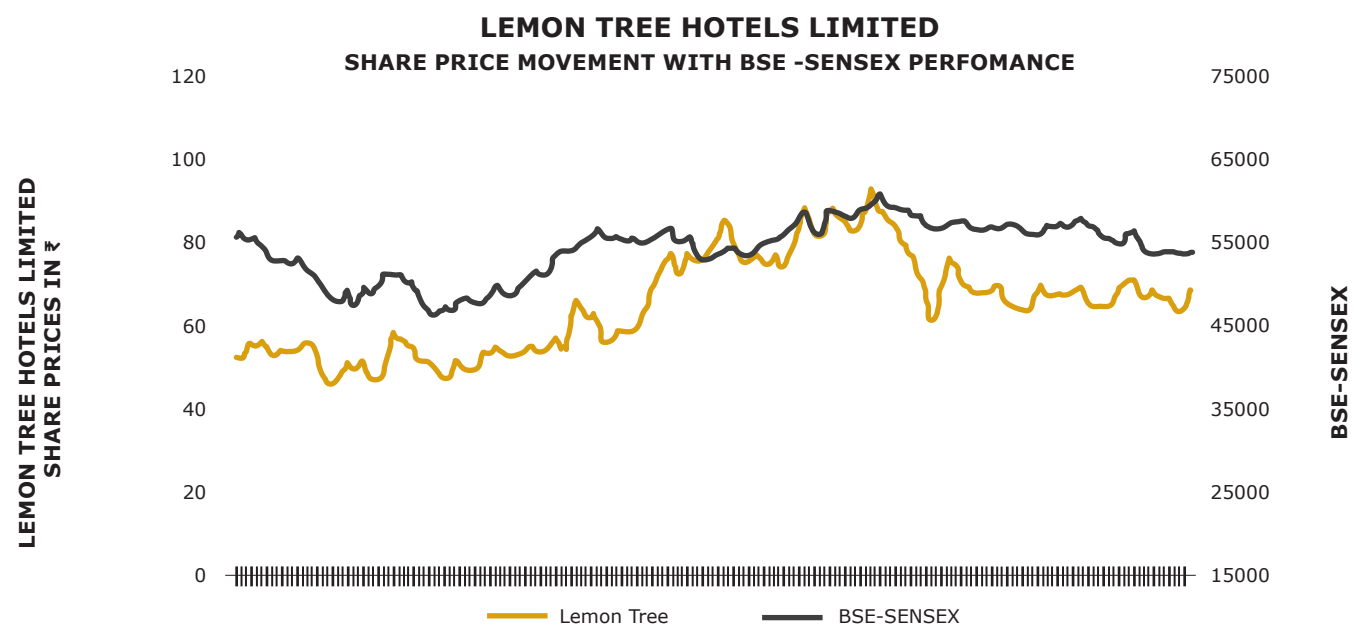
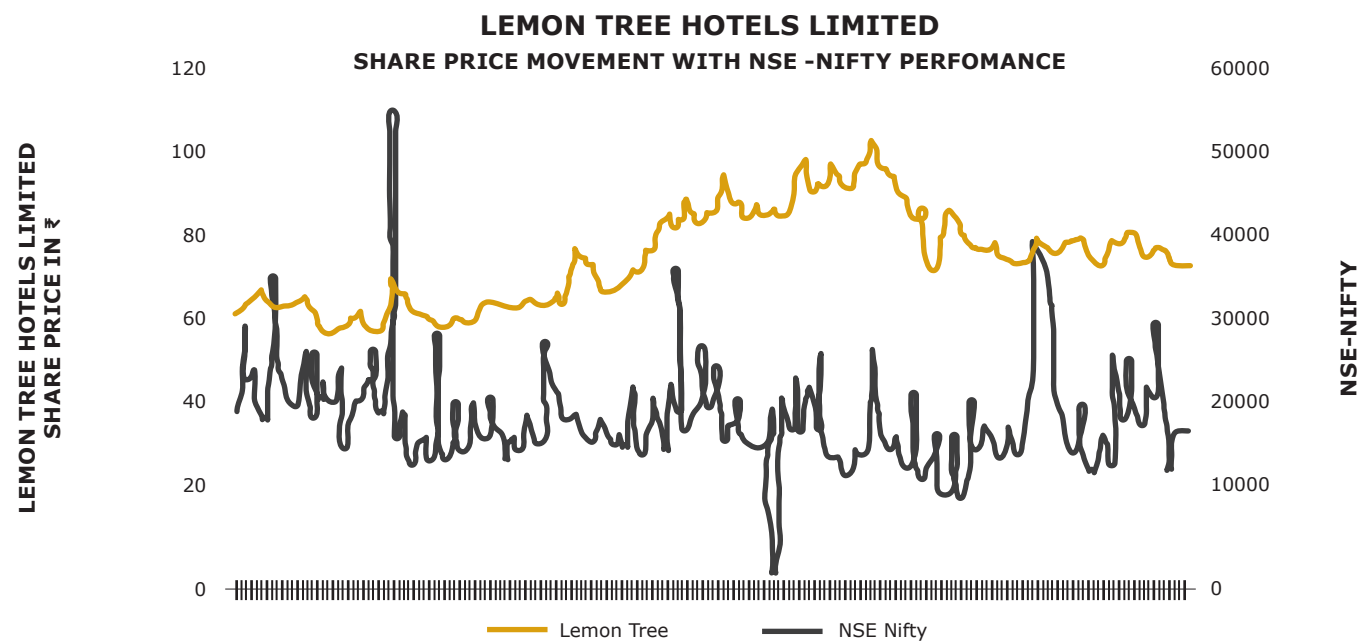
E. Stock Market Data & Stock Performance

The details of stock market data and stock performance for the Financial Year under review are as under:

Market Price Data from April, 2022 to March, 2023

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-22	71.40	62.05	16687114	71.45	62.10	133048352
May-22	67.70	52.20	12584869	67.85	57.00	88452791
Jun-22	71.40	58.30	6677972	71.45	58.30	59689476
Jul-22	69.10	59.75	5663943	69.10	60.10	51716876
Aug-22	79.05	64.80	14959398	79.10	64.65	179322290
Sep-22	88.40	69.90	23551990	88.50	69.90	192968069
Oct-22	93.50	82.05	9034715	93.45	82.05	79648783
Nov-22	102.40	84.10	11961527	102.50	84.05	123818478
Dec-22	103.30	70.25	17074359	103.40	70.20	122027740
Jan-23	86.45	71.95	8083927	86.25	71.95	55276378
Feb-23	83.00	72.90	9778563	82.95	72.50	82926218
Mar-23	82.45	72.85	7082272	82.45	72.80	67352732

Performance in comparison to broad-based indices



F. Share Transfer Agent

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

KFin Technologies Ltd

(Formerly known as "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 the Stakeholder's Relationship Committee of the Board of Directors and all transfers shall be recorded by the Stakeholder's Relationship Committee within a period of 15 days from the date of receipt subject to the documents being complete and valid in all respects. Transfers of equity shares in dematerialised form are done through depositories with no involvement of the Company. Transfers of equity shares in physical form are processed by the Company's R&T Agents, M/s Kfin Technologies Ltd. The Company obtains a yearly certificate from a Company Secretary in Practice in respect of the share transfers as required under Regulation 40(9) of the SEBI (LODR) Regulations and files a copy of the said certificate to the stock exchanges on which the Company's shares are listed.

H. Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2023, is given hereunder:

Number of Equity Shares Held	Number of shareholders	% of total shareholders	Number of shares held	% Shareholding
1-5000	244604	98.44	67345180	8.50
5001-10000	2021	0.81	14608662	1.84
10001-20000	916	0.37	13034906	1.65
20001-30000	283	0.11	7114497	0.90
30001-40000	142	0.06	5024412	0.63
40001-50000	90	0.04	4109546	0.52
50001-100000	138	0.06	9858260	1.24
100001-ABOVE	281	0.11	671151001	84.71
TOTAL	248475	100.00	792246464	100.00

I. Category Wise Shareholding

S. No.	Description	Total no of Equity Shares held as on March 31, 2023	Percentage
1	Promoter & Promoter Group - Bodies Corporate	18,40,78,143	23.23
2	Promoter & Promoter Group - Individual	29,85,764	0.38
3	Directors and their relatives	5,45,776	0.07
4	Foreign Portfolio- Corp	19,37,89,025	24.46
5	Foreign Bodies Corporates	11,98,97,329	15.13
6	Mutual Funds	8,02,11,768	10.12
7	Resident Individuals	13,70,42,969	17.30
8	Bodies Corporates	5,14,47,891	6.49
9	Employees	47,19,763	0.60
10	Trusts	2,90,043	0.04
11	ESOP Trust	6,39,241	0.08
12	Non-Resident Indian Non-Repatriable	45,53,261	0.57
13	Clearing Members	2,04,419	0.03
14	Non-Resident Indians	38,05,797	0.48
15	HUF	28,32,376	0.36
16	NBFC	2,000	0.00

S. No.	Description	Total no of Equity Shares held as on March 31, 2023	Percentage
17	Key Managerial Person	11,19,486	0.14
18	Qualified Institutional Buyer	7,11,385	0.09
19	Foreign National	1,500	0.00
20	Foreign Portfolio Investors	1	0.00
21	Alternative Investment Fund	33,68,527	0.43
Total		792,246,464	100.00

J. Dematerialisation of Shares

As on March 31, 2023, 99.72% 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 Financial Year under review.

M. Hotel Location

The hotel locations have been provided in the corporate overview section of the Integrated Report and are also available on the Company's website at www.lemontreehotels.com.

N. Address for Correspondence

Investors may address their queries to the Company at the address mentioned hereinbelow:

Mr. Nikhil Sethi
AVP Legal & Group Company Secretary
Compliance Officer
Asset No. 6, Aerocity Hospitality District
New Delhi 110037, India
Tel: +91 11 4605 0122
Facsimile: +91 11 4605 0110
E-mail: sectdeptt@lemontreehotels.com

O. The securities of the Company were never suspended from trading on the NSE and BSE during the Financial Year under review.

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 Mobilisation of Funds, Whether in India or Abroad

This is not applicable during the Financial Year under review.

Other Disclosures**Related party transactions**

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions and the same has been disclosed on the Company's website at the following link: https://www.lemontreehotels.com/factsheet/Policies/Related_Party_Transaction_Policy.pdf.

All related party transactions including transactions of a repetitive 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/penalties

There are no penalties or strictures imposed on the Company by the stock exchanges on which the Company's shares are listed or by SEBI or any other statutory authority on any matter related to capital markets during the last three years.

Vigil mechanism and whistle blower policy

With a view to adopting the highest ethical standards in the course of business, the Company has a Whistle Blower Policy in place for reporting instances of conduct which are not in conformity with the policy. Directors, employees, vendors, or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting, and it is ensured that any whistle blower is not subjected to any discrimination.

No person was denied access to the Audit Committee. The said policy is also uploaded on the website of the Company at https://www.lemontreehotels.com/factsheet/Code_of_Conduct_and_Vigil_Mechanism.pdf

Compliance with mandatory and non-mandatory requirements under Chapter IV of SEBI (LODR) Regulations

The Company is regularly complying with the SEBI (LODR) Regulations as stipulated therein. Information, certificates and returns as required under the provisions of SEBI (LODR) Regulations are sent to the stock exchanges on which the Company's shares are listed within the prescribed time.

The Company has complied with all the mandatory requirements of the 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 Financial Year under review have been complied with.

2. Shareholders Rights

Quarterly and Half Yearly financial results are furnished to the stock exchanges on which the Company's shares are listed, published in a prescribed newspaper and also uploaded on the website of the Company at <https://investors.lemontreehotels.com/#>. The same are not separately sent to each of the shareholders. Significant events are posted on the Company's website from time to time.

3. Modified Opinion(s) in Audit Report

There are no modified opinion(s) on the Financial Statements for the Financial Year under review.

4. Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

Disclosure of commodity price risks and commodity hedging activities

This is not applicable as the Company does not trade in commodity price risk and commodity hedging activities.

Policy for determining material subsidiaries and dealing with related party transactions

The Board has formulated a policy for determining material subsidiaries pursuant to the provisions of the SEBI (LODR) Regulations which is available on the website of the Company at https://www.lemontreehotels.com/factsheet/Policies/Determination_of_Material_Subsiary_Policy.pdf.

Three (3) of the Independent Non-Executive Directors of the Company are also on the Board of material subsidiary viz. Fleur Hotels Private Limited, one (1) of the Independent Non-Executive Directors of the Company are also on the Board of material subsidiaries viz. Berggruen Hotels Private Limited, Hyacinth Hotels Private Limited and Iora Hotels Private Limited.

Details of utilisation 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 FY23.

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from a practicing company secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority which forms part of the Corporate Governance Report attached to this Board Report as 'Annexure – 5'.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The total fees paid to M/s Deloitte Haskins & Sells LLP, Statutory Auditor, by the Company and its subsidiaries on a consolidated basis for the Financial Year under review is ₹ 1.36 Crore.

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

During the Financial Year ended March 31, 2023, 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 centralised 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 the SEBI (LODR) Regulations opened a dematerialisation account named 'Lemon Tree Hotels Ltd. Unclaimed Suspense Demat Account'. However, no shares have been transferred till March 31, 2023.

Reconciliation of Share Capital Audit

The reconciliation of Share Capital Audit is conducted by the Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with the Depositories) and that requests for dematerialisation of shares are processed by the R & T Agent within the stipulated period of twenty one (21) days and uploaded with the concerned Depositories.

Information on Deviation from Accounting Standards, if any.

The Company has adopted Indian Accounting Standards (Ind AS) in preparation of the annual accounts for the FY23.

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

During the year, the Board has accepted all recommendations received from all its committees.

Disclosure of Compliance with the Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations

The Company has complied with the applicable provisions of the SEBI (LODR) Regulations including Regulation 17 to 27 and Regulation 46 of the SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the stock exchanges on

which the Company's shares are listed within the prescribed timelines from the close of every quarter. Such quarterly compliance report on corporate governance is also posted on the website of the Company at <https://investors.lemontreehotels.com/#>.

A certificate from M/s 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 Board Report.

CEO/CFO certification

To comply with Regulation 17(8) of the SEBI (LODR) Regulations, the Chairman & Managing Director and the Chief Financial Officer have certified that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

Code of Conduct

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code of Conduct is applicable to Executive and Non-Executive Directors as well as Senior Management Personnel. As per the SEBI

(LODR) Regulations, the duties of Independent Non-Executive Directors have been suitably incorporated in the said Code as laid down in the Act.

A copy of the Code of Conduct is available on the Company's website https://www.lemontreehotels.com/factsheet/Code_of_Conduct_for_Directors_Senior_Management.pdf

A declaration signed by the Chairman & Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, an affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the Financial Year ended March 31, 2023.

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali Govind Keswani

Date: May 30, 2023 Chairman & Managing Director
Place: New Delhi 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 March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any court or any other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Patanjali Govind Keswani	00002974	07/10/2002
2.	Mr. Willem Albertus Hazeleger	07902239	09/08/2017
3.	Mr. Niten Malhan	00614624	06/11/2020
4.	*Mr. Ashish Kumar Guha	00004364	15/06/2017
5.	*Mr. Arvind Singhanian	00934017	15/06/2017
6.	Mr. Paramartha Saikia	07145770	15/06/2017
7.	Mrs. Freyan Jamshed Desai	00965073	15/06/2017
8.	**Mr. Pradeep Mathur	05198770	05/12/2017
9.	Dr. Arindam Kumar Bhattacharya	01570746	11/04/2019
10.	Mr. Aditya Madhav Keswani	07208901	17/06/2015

* Ceased to be Independent Director w.e.f. September 14, 2022

** Ceased to be Independent Director w.e.f. December 04, 2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dhawal Kant Singh
Membership No.: F8687
CP No.:7347
Peer Review No. 1724/2022
UDIN: F008687E000372688

Place: Delhi
Date: May 30, 2023

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, 2023 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
Peer Review Certificate No: 1352/2021

Ramit Rastogi

Partner
CP No.: 18465; M. No.: F6952
UDIN: F006952E000431431

May 30, 2023
New Delhi

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, 2023 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: May 30, 2023

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	Employees				
		Directors				
a.	Name of the employee	Mr. Patanjali Govind Keswani (1)	Ms. Harleen Mehta (2)	Mr. Vikramjit Singh (3)	Mr. Jagdish K Chawla (4)	Mr. Kapil Sharma (5)
b.	Designation of the employee	Chairman & Managing Director	Sr. Vice President - Sales	President	Executive Vice President-Projects & Engineering	Executive Vice President - Finance & Chief Financial Officer
c.	*Remuneration received (₹ in Lakhs)	351.05	138.67	127.83	113.05	91.85
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	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	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
f.	Date of commencement of employment with company	01.09.2002	19.08.2019	15.05.2014	01.11.2002	01.12.2004
g.	The age of such employee	64 Years	48 years	48 years	66 years	54 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	He was an entrepreneur in Assam where he ran his own hotel	Taj Group of Hotels	Head-Finance and Accounts, Leroy Somer & Controls India Private Limited
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	0.05	0.08	0.14
j.	Whether any such employee is a relative of any director or manager of the Company and if so, the name of such director or manager	Mr. Aditya Madhav Keswani, Director	N.A.	N.A.	N.A.	N.A.

Note(s): Gross remuneration includes basic salary, allowances, taxable value of perquisites and the Company's contribution to Provident Fund, but excludes provision for retiring gratuity and leave benefits.

Remuneration to Employees

[Pursuant to 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. Davander Tomar (6)	Ms. Ritu Ranjan (7)	Mr. Gaurav Goyal (8)	Mr. Devinder Kumar (9)	Ms. Sareena Kochhar (10)
b.	Designation of the employee	Executive Vice President- Corporate Affairs	Sr. Vice President - Chief Design Officer	General Manager- Sales	Assistant Vice President-RMD	Sr. Vice President Housekeeping
c.	Remuneration received* (₹ in Lakhs)	85.94	60.07	55.08	52.27	46.99
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	M.A & LLB from Delhi University and has a total experience of over 38 years.	B.A (Honors) in Philosophy from Delhi University in the year 1987 and having 20 years of experience	B.Sc. in Hotel Management with over 20 years of experience	Post Graduate Diploma in Hotel Accommodation and Management with over 23 years of experience	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	25.09.2002	01.04.2014	09.05.2016	01.07.2010	15.07.2006
g.	The age of such employee	62 years	57 years	42 years	44 Years	58 years
h.	The last employment held by such employee before joining the Company	Area Security Manager-Taj Group of Hotels	Self employed	He has previously worked with SPREE Hotels & Resorts Pvt. Ltd. as Vice President	He has previously worked with ITC Group of Hotels as Revenue Manager, Reservation Manager and Duty Manager.	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	0.00	0.05	0.01	0.01	0.03
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.

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: New Delhi
Date: May 30, 2023

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	275	112.86
Mr. Kapil Sharma	Chief Financial Officer	N.A.	2.23
Mr. Nikhil Sethi	AVP Legal & Group Company Secretary	N.A.	27.53

* 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 during a major part of the FY22, accordingly the percentage increase in remuneration is not comparable.

No other Directors were paid remuneration during the Financial Year ended March 31, 2023.

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 FY23 is 1%.

3. The number of permanent employees on the rolls of the Company.

The number of permanent employees on the rolls of the Company as on March 31, 2023, is 771 across all the locations globally.

4. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

This clause is not comparable/applicable during the Financial Year ended March 31, 2023, as due to the 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 during a major part of the FY22.

5. It is hereby affirmed that the remuneration paid during the Financial Year ended March 31, 2023, is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali Govind Keswani
Chairman & Managing Director
DIN: 00002974

Place: New Delhi
Date: May 30, 2023

ANNEXURE-8

Secretarial Audit Report

For the Financial Year Ended March 31, 2023

[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

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 authorised 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, 2023 ("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 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

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;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable during the audit period};
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 {Not applicable during the audit period}; and
- (h) 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 & 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.

We further report that pursuant to the Orders dated 12th October, 2022, 14th November, 2022 and 25th November, 2022 ("Orders") of the Hon'ble National Company Law Tribunal, New Delhi Bench, Court- III ("Hon'ble NCLT"), shareholders and creditors approved the Scheme of Amalgamation between Valerian Management Services Private Limited, Grey Fox Project Management Company Private Limited, PSK Resorts & Hotels Private Limited, Dandelion Hotels Private Limited and Lemon Tree Hotels Limited at their respective meetings held on January 19, 2023. The scheme is pending before Hon'ble National Company Law Tribunal ("Hon'ble NCLT") and other statutory authorities for approval.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.:1352/2021

Ramit Rastogi
Partner

May 30, 2023
New Delhi

CP No.: 18465; M No.: F6952
UDIN: F006952E000431541

Secretarial Audit Report of Material Subsidiary Companies

FORM NO. MR.3

Secretarial Audit Report

For the Financial Year Ended 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Fleur Hotels Private Limited
CIN: U55101DL2003PTC207912
Address: Asset No. 6, Aerocity Hospitality District,
New Delhi- 110037

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-

- 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.
- 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.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Where ever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.

Our examination was limited to the verification of procedures on test basis.

- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as maintained and provided to us by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2023 ('Audit Period') generally 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:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on

General Meetings issued by the Institute of Company Secretaries of India, which is generally complied with.

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

- The Company is engaged in the Hotel Business and operating various Hotels. As informed by the management, the Food Safety and Standard Act, 2006 and Rules made thereunder are specifically applicable on the Company and filed at Hotel level. On the basis of management representation, recording in the minutes of Board of Directors and our check on test basis, we are of the view that the Company has generally ensured the compliance of laws specifically applicable on it.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all its directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings other than held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that members of the Company at their extra-ordinary general meeting held on August 02, 2022 passed following ordinary resolution(s)-

- Pursuant to the provisions of Sections 149 & 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under, for appointment of Mr. Aditya Madhav Keswani (DIN No. 07208901) as a Director of the Company, who was appointed as an Additional Director, in terms of the provisions of Section 161 of the Companies Act, 2013, whose period of office shall be liable to retire by rotation.

We further report that members of the Company at their extra-ordinary general meeting held on December 21, 2022 passed following special resolution(s)-

- Pursuant to the provisions of the Companies Act, 2013 read with applicable rules and regulation and the provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, to extend the term of conversion of 53,76,340, 0.01% cumulative compulsorily convertible preference shares, (the "CCPS") issued to APG Strategic Real Estate Pool N.V for an aggregate amount of ₹ 174,99,98,670 (Indian Rupees One Hundred Seventy Four Crore Ninety Nine Lakh Ninety Eight Thousand Six Hundred And Seventy Only), which were earlier convertible on December 21, 2022 (i.e. on the expiry of 30 months from the date of allotment i.e. June 22, 2020) to be now converted on or before June 30, 2023.

For and on behalf of

M/s. Prakash Verma & Associates

(Company Secretaries in Practice)

ICSI Unique Code – S2013DE203700

Peer Review Certificate No. – 882/2020

CS Prakash Verma

Place: Ghaziabad FCS No. - 9553 COP No. - 11671

Date: May 29, 2023 UDIN - F009553E000371101

FORM NO. MR.3**Secretarial Audit Report****For the Financial Year Ended March 31, 2023**

[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 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 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 authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Company** for the financial year ended on **March 31, 2023** 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.

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

Place : New Delhi Peer Review No. 1724/2022
Date : May 26, 2023 UDIN: F008687E000372644

FORM NO. MR.3**Secretarial Audit Report****For the Financial Year Ended March 31, 2023**

[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 authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Company** for the financial year ended on **March 31, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iii) Other laws as applicable specifically to the Company:
 - The Legal Metrology Act, 2009 and rules made thereunder
 - Food Safety and Standards Act, 2006 and rules made thereunder

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Ministry of Corporate Affairs on the Board and General Meetings of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with Non-Executive Directors and Independent Directors. The Company was not required to appoint Executive Director in accordance with provisions of Companies Act, 2013 and 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:

- taken approval u/s 186 for inter corporate loans, guarantees, securities and investments vide special resolution passed in the Extra-ordinary General Meeting held on June 06, 2022.
- taken approval u/s 185 for granting of unsecured loan to IORA Hotels Private Limited vide special resolution passed in the Extra-ordinary General Meeting held on July 13, 2022.
- taken approval u/s 186 for granting loan, guarantee or providing security or investing in securities of other body corporates vide special resolution passed in the Extra-ordinary General Meeting held on July 14, 2022.

We further Report that except for what is stated above the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

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

Dhawal Kant Singh
Partner

M. No.: F8687 / C P No.: 7347

Place : New Delhi Peer Review No. 1724/2022
Date : May 29, 2023 UDIN: F008687E000372655

FORM NO. MR.3
Secretarial Audit Report
For the Financial Year Ended March 31, 2023

[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 authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Company** for the financial year ended on **March 31, 2023** 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.

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, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where the meeting is held on shorter notice) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

- taken approval u/s 180 (1) (c) for borrowing more than paid up capital and free reserves of the Company vide special resolution passed in the Extra-ordinary General Meeting held on June 06, 2022.
- taken approval u/s 180 (1) (a) for mortgaging, hypothecating and charging its assets of the Company for securing financial facilities vide special resolution passed in the Extra-ordinary General Meeting held on August 30, 2022.

We further Report that except for what is stated above the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

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

Dhawal Kant Singh
Partner

M. No.: F8687 / C P No.: 7347

Place : New Delhi Peer Review No. 1724/2022

Date : May 29, 2023 UDIN: F008687E000372677

Business Responsibility and Sustainability Report (BRSR)

ANNEXURE-10

Section A: General Disclosures

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1992PLC049022
2	Name of the Listed Entity	Lemon Tree Hotels Limited
3	Year of incorporation	1992
4	Registered office address	Asset No. 6 Aerocity Hospitality District New Delhi 110037 India
5	Corporate address	Asset No. 6 Aerocity Hospitality District New Delhi 110037 India
6	E-mail	sectdept@lemontreehotels.com
7	Telephone	+911146050101
8	Website	www.lemontreehotels.com
9	Financial year for which reporting is being done	1 April 2022 to 31 March 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹7,92,24,64,640
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name:	Aradhana Lal
	Telephone:	+911146050101
	E-mail:	svp_sustainability@lemontreehotels.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	
	Consolidated, except paid up share capital	

II. Products/Services

14 Details of Business Activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Operating Hotels	Hotel service including accommodation/rooms, dining, bar, banquets, conference, meeting rooms, spa, fitness center, swimming pool, etc.	99.59%

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Hotel service including accommodation/rooms, dining, bar, banquets, conference, meeting rooms, spa, fitness center, swimming pool, etc.	55101	100%

III. Operations

16 Number of locations where plants and/or operations/offices of the entity (owned) are situated:

Location	Number of plants	Number of offices	Total
National	40	1	41
International	0	0	0

17 Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	20
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0%

c. A brief on types of customers

Lemon Tree caters to a diverse clientele, including business and leisure travellers, families, tourists, event attendees, wedding guests, food and beverage patrons and long-stay guests. Our hotels are strategically located with high-quality amenities, efficient services and a focus on comfort and convenience. Whether it is for business or leisure, we ensure our guests have a memorable experience during their stay with us.

IV. Employees

18 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Employees and workers			
			Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1	Permanent (D)	2,344	2,094	89%	250	11%
2	Other than Permanent (E)	781	696	89%	85	11%
3	Total employees (D + E)	3,125	2,790	89%	335	11%
Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-

Note: The total employees is excluding the apprentices (100)

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Differently Abled Employees			
			Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1	Permanent (D)	81	76	94%	5	6%
2	Other than Permanent (E)	140	133	95%	7	5%
3	Total employees (D + E)	221	209	95%	12	5%
Differently Abled Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-

19 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	2	0	0%

20 Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY23 (Turnover rate in current FY)			FY22 (Turnover rate in previous FY)			FY21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	46%	7%	53%	54%	7%	61%	49%	8%	57%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21 Names of holding/subsidiary/associate companies/joint ventures

S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Fleur Hotels Private Limited	Subsidiary	58.91%	Yes
2	Canary Hotels Private Limited	Wholly Owned Subsidiary Company	100%	Yes
3	Sukhsagar Complexes Private Limited	Wholly Owned Subsidiary Company	100%	Yes
4	Oriole Dr. Fresh Hotels Private Limited	Wholly Owned Subsidiary Company	100%	Yes
5	Manakin Resorts Private Limited	Wholly Owned Subsidiary Company	100%	Yes
6	PSK Resorts and Hotels Private Limited	Wholly Owned Subsidiary Company	100%	No
7	Dandelion Hotels Private Limited	Wholly Owned Subsidiary Company	100%	No
8	Grey Fox Project Management Company Private Limited	Wholly Owned Subsidiary Company	100%	No
9	Valerian Management Services Private Limited	Wholly Owned Subsidiary Company	100%	No
10	Carnation Hotels Private Limited	Wholly Owned Subsidiary Company	100%	Yes*
11	Lemon Tree Hotel Company Private Limited	Wholly Owned Subsidiary Company	100%	No
12	Red Fox Hotel Company Private Limited	Wholly Owned Subsidiary Company	100%	No
13	Hamstede Living Private Limited	Wholly Owned Subsidiary Company	100%	No
14	Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited)	Wholly Owned Subsidiary Company	100%	No
15	Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)	Wholly Owned Subsidiary Company	100%	No
16	Madder Stays Private Limited	Wholly Owned Subsidiary Company	100%	No
17	Totally Foxed Solutions Private Limited	Wholly Owned Subsidiary Company	100%	No
18	Celsia Hotels Private Limited	Subsidiary	58.91%	Yes
19	Iora Hotels Private Limited	Subsidiary	58.91%	Yes
20	Inovoa Hotels and Resorts Limited	Subsidiary	58.91%	Yes
21	Berggruen Hotels Private Limited	Subsidiary	58.91%	Yes
22	Haycynth Hotels Private Limited	Subsidiary	58.91%	Yes
23	Bandhav Resorts Private Limited	Subsidiary	58.91%	Yes
24	Ophrys Hotels Private Limited	Subsidiary	58.91%	No
25	Mind Leaders Learning India Private Limited	Associate	36.56%	No
26	Pelican Facilities Management Private Limited	Associate	36.56%**	No
27	Glendale Marketing Services Private Limited	Associate	36.56%**	No

* All third party hotels operated by Carnation Hotels are participating in Lemon Tree Hotels' business responsibility initiatives

** These companies are wholly owned subsidiaries of Mind Leaders Learning India Private Limited

VI. CSR Details

22 (i). Whether CSR is applicable as per section 135 of Companies Act, 2013

Yes. It is applicable to Lemon Tree Hotels Ltd. and its two subsidiary companies.

(ii). Turnover (in ₹)

Turnover of Lemon Tree Hotels (consolidated) for is ₹8,75,79,03,000

(iii). Net worth (in ₹)

Net worth of Lemon Tree Hotels (consolidated) is ₹14,13,82,22,000

VII. Transparency and Disclosures Compliances

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY23 Current Financial Year			FY22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, we have grievance redressal for the stakeholder group. All relevant policies of the Company are available at https://investors.lemontreehotels.com/#	0	0	-	0	0	-
Investors (other than shareholders)		0	0	-	0	0	-
Shareholders		0	0	-	0	0	-
Employees and workers		0	0	-	0	0	-
Customers		0	0	-	2	0	-
Value Chain Partners		0	0	-	0	0	-
Other (please specify)		0	0	-	0	0	-

24 Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health and Well Being	Opportunity	Lemon Tree can help employees maintain balance and good health	-	Positive
2	Regulatory Compliance	Risk	Deviation from a compliance is possible in a growing network	An internal audit system and software (Legatrix) is in place to monitor all compliances for all hotels	Negative
3	Customer Delight	Opportunity	By providing refreshing service and unbeatable VFM, Lemon Tree can deepen customer loyalty	-	Positive
4	Brand and Reputation Management	Opportunity	Lemon Tree's focus on ESG and talent and innovative products/services for guests is an opportunity to strengthen the brand	-	Positive
5	Diversity and Inclusion	Opportunity	Over ~2 decades, Lemon Tree has built a strong diversity initiative. We can keep widening and deepening it	-	Positive
6	Commitment to Human Rights	Opportunity	An opportunity to carry Lemon Tree's human rights approach to partners, suppliers and more	-	Positive
7	Water Management	Risk	Precious resource with scarcity in every destination that Lemon Tree is present in	Lemon Tree actively pursues initiatives that improve the efficiency of water consumption; recycling and reuse of all water used in the hotel; and rainwater harvesting	Negative
8	Ethics and Transparency	Risk	Deviation from ethical/translucent practices is possible in a growing network	Lemon Tree has instituted dual/multiple sign off process, especially for big ticket items; an active whistle blower policy; a strong ombudsman policy and handling mechanism	Negative
9	Data Privacy	Risk	Growing loyalty consumer database at Lemon Tree accompanied by innovation in hacking/breaching of data protection systems	Lemon Tree has defined a new data privacy policy in FY22 that follows global standards and (expected) Indian standards. Done in consultation with a Big 4 company	Negative
10	Economic Performance	Opportunity	Lemon Tree business model ensures the stability and growth of revenues during both peaks and troughs in the business cycle	-	Positive
11	Talent Management	Opportunity	Build a leadership bench within	-	Positive
12	Waste Management	Opportunity	Segregate better and reduce, reuse, recycle and dispose waste safely	-	Positive
13	Energy Management	Opportunity	Build greater energy efficiency. Transition to renewable energy and reduction in carbon footprint. Pathway to Net Zero	-	Positive
14	Sustainable Supply Chain	Opportunity	Integrate Lemon Tree's ESG focus backwards into the supply chain	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Local Community Development	Opportunity	Harness the skills and abilities of the community. Provide sustainable jobs to marginalised communities	-	Positive
16	Biodiversity Protection	Opportunity	(For the limited biodiverse locations of Lemon Tree) Protect and preserve flora and fauna	-	Positive
17	Climate Change	Risk	Hospitality industry inherently has a high carbon footprint	Building a strong pathway to Net Zero	Negative

Section B: Management and Process Disclosures

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	Has the policy been approved by the Board? (Yes/No)	Yes	No	No	No	No	No	No	No	No
c.	Web Link of the Policies, if available	Code on Conduct and Vigil Mechanism Policy	Supplier Code of Conduct	Health and Safety Policy	Stakeholder Relations Policy	Human Rights Policy	Waste Management Policy	Anti Bribery and Anti Corruption Policy	CSR Policy	Stakeholder Relations Policy
		Anti Bribery and Anti Corruption Policy	Stakeholder Relations Policy	Stakeholder Relations Policy	Stakeholder Relations Policy	Environment Policy	Climate Change Policy			
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/certifications/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Code of Conduct; UN Sustainable Development Goals; Principle of Corporate Governance; GRI Standard	UN Sustainable Development Goals; GRI Standard	Universal Declaration of Human Rights of the United Nations; UN Guiding Principles on Business and Human Rights; UN Sustainable Development Goals; GRI Standard	UN Sustainable Development Goals; GRI Standard	Universal Declaration of Human Rights of the United Nations; UN Sustainable Development Goals; GRI Standard	Indian Green Building Council (IGBC); UN Sustainable Development Goals; GRI Standard	Universal Declaration of Human Rights of the United Nations; UN Sustainable Development Goals; GRI Standard	CSR Disclosures pursuant to Section 135 of the Companies Act 2013; UN Sustainable Development Goals; GRI Standard	UN Sustainable Development Goals; GRI Standard
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	*1 and see page 46 and 47 in the FY23 Integrated Report (as per IIRC framework)	-	*2 and see page 47 in the FY23 Integrated Report (as per IIRC framework)	-
		-	-	-	-	-	https://www.lemontreehotels.com/factsheet/Policies/LTHL_Integrated_Report_2022_23.pdf	-	https://www.lemontreehotels.com/factsheet/Policies/LTHL_Integrated_Report_2022_23.pdf	-

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	*3	-	*4	-
*1										
1	15% reduction in Energy Consumption (intensity based) over FY19 baseline									
2	50% Renewable Energy (RE) usage, out of total energy consumption, by FY26									
3	40% reduction in GHG emissions (intensity based) over FY19 baseline									
4	10% reduction in water consumption (intensity based) over FY19 baseline									
5	100% certified green buildings (hotels) by FY26									
*2										
6	30% Opportunity Deprived Indians (ODIs) in the workforce by FY26									
7	15% women across the workforce by FY26									
*3										
1	15% reduction in Energy Consumption (intensity based) by FY26									
2	50% Renewable Energy (RE) usage, out of total energy consumption, by FY26									
3	40% reduction in GHG emissions (intensity based) over FY19 baseline									
4	10% reduction in water consumption (intensity based) over FY19 baseline									
5	100% certified green buildings (hotels) by FY26									
*4										
6	30% Opportunity Deprived Indians (ODIs) in the workforce by FY26									
7	15% women across the workforce by FY26									

Governance, leadership and oversight

7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) This statement is the same as the statement in the Corporate Overview in the FY23 <IR> report
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Name of highest authority: Mr. Patanjali Govind Keswani Designation: Chairman and Managing Director DIN: DIN: 00002974 Category: Executive Director
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details Yes or No: Yes (If Yes) Qualitative Response: Our CSR and Sustainability Committees at the board level are responsible for sustainability related issues. There is also an ESG Task Force in the management team that works closely on all future Sustainability and ESG initiatives

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	All the policies are reviewed periodically or on need basis by the ESG Taskforce and amended as required									
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	We comply with the extant regulations and principles, as are applicable.									

Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	Yearly									
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Quarterly									

11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Yes or No	Yes
(If Yes), Name of agency	IGBC audit of two hotels Lemon Tree Hotel, Electronics City, Bengaluru, Lemon Tree Premier, Ulsoor Lake, Bengaluru (Environment policy and waste management policy). Internal audits of all hotels done half yearly

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Business strategy, digital transformation, risk management & compliance	100%
Key Managerial Personnel	4	Business strategy, digital transformation, risk management & compliance	100%
Employees other than BoD and KMPs	5	Induction of new joiners, sensitisation session, functional & behavioural training, environment, safety & governance and health & fire safety	Induction - 100% ESG - 45% 101 - 55% Sensitisation - 80% Security - 80%
Workers	-	-	-

Note: All training data above is the sum of employees trained in different programmes and in different months. It includes duplication of people and is not a unique data set. Eg. If Rajat attends the induction, ESG, Front Office 101 and Security in the same year, he is counted four times

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Monetary		
			Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	Nil	Nil	Nil	NA
Settlement	-	Nil	Nil	Nil	NA
Compounding fee	-	Nil	Nil	Nil	NA

	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Non-Monetary		
			Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	-	Nil	Nil	NA	
Punishment	-	Nil	Nil	NA	

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA
NA	NA

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. We have a strong commitment to upholding the highest standards of ethical conduct and integrity in all our operations. We adopt a zero-tolerance stance towards bribery and corruption, ensuring that we conduct ourselves professionally, fairly and with integrity in all our business dealings and relationships. This policy applies to all individuals associated with Lemon Tree, including directors, employees, officers, contractors, consultants, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person connected to our organisation.

Anti Bribery and Anti Corruption Policy https://www.lemontreehotels.com/factsheet/Policies/7_LTH_Anti_bribery_and_Anti_corruption_Policy_October_2021.pdf

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY23	FY22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6 Details of complaints with regard to conflict of interest:

	FY23		FY22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

NA

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
0	NA	NA

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, we implement a rigorous process for handling all related party transactions. We diligently seek approval from the Audit Committee. In cases where our members of the Board have an interest or a conflict of interest, the concerned director abstains from participating in the discussion during the Board Meeting.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe



Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY23	FY22	Details of improvements in environmental and social impacts
R&D	1.83%	4.93%	CAPEX on ESG items include solar rooftop installation, heat pumps, water meters, etc.
Capex	100%	100%	Total CAPEX for 40 operating hotels. Does not include the 2 under construction hotels in Mumbai and Shimla

2 Details on Sustainable Sourcing

- Does the entity have procedures in place for sustainable sourcing?
Yes
- If yes, what percentage of inputs were sourced sustainably?
We have established a robust procedure for sustainable sourcing. We actively promote our Supplier Code of Conduct and encourage all our suppliers to accept and adhere to its terms and conditions. We place a strong emphasis on suppliers and vendors adopting sound labour practices and treating their workers fairly in accordance with local laws. Currently, we have not calculated the percentage of inputs sourced sustainably, but we remain committed to continually improving our sustainable sourcing efforts.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a hospitality service provider, we do not engage in the manufacturing or selling of products. Nevertheless, we have implemented comprehensive waste management policies and practices for our own operations. For more details, please refer to Principle 6, Essential Indicator, Question 9.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

NA

Leadership Indicators

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details.

No, LCA has not been conducted for any of the services.

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

NA

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

NA

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

In metric tonnes	FY23			FY22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

NA

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains



Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2,071	2,071	100%	2,071	100%	0	0%	0	0%	2,071	100%
Female	719	719	100%	719	100%	719	100%	0	0%	719	100%
Total	2,790	2,790	100%	2,790	100%	719	26%	0	0%	2,790	100%
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

2 Details of retirement benefits

Benefits	FY23			FY22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Yes	100%	-	Yes
Gratuity	75%	-	Yes	70%	-	Yes
ESI	67%	-	Yes	68%	-	Yes
Others – please specify	-	-	-	-	-	-

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We take pride in designing all our hotels with universal access in mind. Our goal is to create barrier-free environments that cater to guests of all abilities, mobility levels and ages. By providing accessible public bathrooms and restaurants, we ensure that guests with disabilities feel welcome and included in our local community.

For our specially-abled guests, we offer well-designed rooms equipped with various features for their comfort and convenience. Starting from the entrance ramp that provides easy access to the lobby, our hotels are designed to be hassle-free for physically challenged guests. The lobby area seamlessly connects to elevators, specially designed public toilets and the coffee shop.

Our specially-abled rooms are thoughtfully equipped with features such as user-friendly elevators, close proximity to elevators (often on the first floor), wider main doors (1,000 mm) for wheelchair passage, a lower "magic eye" on the main door, lower luggage rack/table (below 450 mm), writing table at least 750 mm in height, bed height at 500 mm, no mini bar adjacent to the bed, key card fixture at a lower height, cordless phone, lower-fixed mirrors, audio-visual fire alarms, and direct emergency call bells at the Front Desk.

In the bathrooms, we ensure wash basins with adjustable heights, WC at 475 mm, shower seats at 475 mm width, knob-type shower mixer handles, hand showers without buckets or spouts, and stainless steel support railings for ease of movement. Additionally, we provide convex mirrors at lower levels and handicapped toilets in public areas with similar facilities.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, https://www.lemontreehotels.com/factsheet/Policies/LTH_Human_Rights_Policy_October_2021.pdf

Further Details:

We are deeply committed to promoting diversity and gender equality within our organisation, recognising the value it brings in tapping into often overlooked talent pools. As an equal-opportunity employer, we prioritise building a diverse, safe, and inclusive work environment. Embracing individual differences and empowering every employee to reach their full potential is central to fostering innovation, employee satisfaction, and unique ideas.

Our efforts towards inclusivity are focused on creating a workplace where everyone, regardless of their background, can work collaboratively towards shared goals. We understand that equitable employment generation is essential for driving sustainable socio-economic development in our nation. To promote diversity and inclusion, we actively hire Opportunity Deprived Indians (ODIs), encompassing Employees with Disability (EwD) and those from Economically and Socially Marginalised backgrounds (EcoSoc).

Employees with Disability (EwD)

We began our journey of hiring employees with special needs in 2007. Over the years, we have been strongly committed towards hiring individuals with special needs and creating an accessible and growth-oriented work environment for them. This includes individuals with:

1. Physical disabilities: Speech and Hearing Impaired (SHI), Orthopedically Handicapped (OH), Acid Survivors, Low Vision and

2. Intellectual and Developmental Disability (IDD): Down Syndrome, Slow Learner, Mild MR, IDD and Autism

Across all our hotels, we have a significant presence of SHIs, followed by OH. Through our strategic partnerships with NGOs that focus on training of individuals with Intellectual and Developmental needs, we plan to continuously enhance and expand our traineeship model.

Economically and Socially Marginalised segment (EcoSoc)

We have focused on hiring people who belong to socially and economically weaker sections of society since 2016. This includes individuals who fall below the poverty line, widowed or destitute women, orphans/ abandoned girls, transgender persons and those from select states that rank low on education and employment opportunities. By generating employment for these people, we effectively contribute towards poverty alleviation and social justice.

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0%	0%	-	-
Female	50%	50%	-	-
Total	-	-	-	-

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	-	-
Other than Permanent Worker	-	-
Permanent Employees	Yes	We have implemented a stringent Sexual Harassment Policy, overseen by the Ombudsman, to ensure a safe and respectful workplace for all. Each of our hotels and the Corporate Office has a dedicated POSH committee in place at every location. Additionally, we have well-defined policies for Vigilance/Whistleblower, Prevention of Corrupt Practices and a comprehensive Code of Conduct. Upholding the utmost priority, we maintain anonymity for individuals raising complaints, ensuring their protection and confidentiality throughout the process.
Other than Permanent Employees	Yes	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY23			FY22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	3,125	76	2	2,680	88	3
Male	2,790	74	3	2,427	82	3
Female	335	2	1	253	6	2
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

Note: The total employees is excluding the apprentices (100)

8 Details of training given to employees and workers:

	FY23					FY22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,042	884	43	1,158	57	5,375	XXX	XXX	5,375	80+
Female	405	188	46	217	54	724	XXX	XXX	724	80+
Total	2,447	1,072	44	1,375	56	6,099	XXX	XXX	6,099	80+
Worker										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Note: All training data above is the sum of employees trained in different programmes and in different months. It includes duplication of people and is not a unique data set. Eg. If Rajat attends the induction, ESG, Front Office 101 and Security in the same year, he is counted four times.

In FY22, we were not conducting ESG specific training.

9 Details of performance and career development reviews of employees and worker:

	FY23			FY22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,790	1,341	48%	2,427	89	4%
Female	335	132	39%	253	7	3%
Total	3,125	1,473	47%	2,680	96	4%
Worker						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note: In FY23, half- yearly performance appraisals were conducted as above

10 Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
Yes. We have an occupational health and management system in place that encompasses all our employees and hotels.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
We have an Incident Tracking System that we use to identify work-related hazards and assess risks on both routine and non-routine bases. This system is implemented by our company to ensure the safety and security of our operations and employees.
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
We have an Incident Tracking System in place for our employees and workers to report any work-related hazards promptly. This system enables us to take precautionary actions to avoid potential risks.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Yes, we provide health/personal accident and life insurance coverage for all our employees. We have established grievance committees, including the Ombudsman, to address any concerns or issues that may arise. We conduct health camps and workshops at the hotel level, creating awareness and supporting our employees' overall well-being to promote a healthy work-life balance. Our hotel designs also incorporate health and safety measures, benefiting both guests and employees. These measures include fire safety equipment and evacuation procedures, daylighting to enhance natural lighting and sandwich walls to minimise the building's heat envelope, ensuring a safe and comfortable environment for all.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NA	NA
	Workers	-	-
Total recordable work-related injuries	Employees	15	NA
	Workers	-	-
No. of fatalities	Employees	0	0
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	2	NA
	Workers	-	-

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

We have implemented various measures to ensure a safe and healthy workplace. For a detailed insight into our safety practices, please refer to Principle 3, Essential Indicator, Question 10.

13 Number of Complaints on the following made by employees and workers:

FY23			FY22		
Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
0	0	-	0	0	-
0	0	-	0	0	-

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We ensure that all employees are regularly trained on safety/security protocol across all units.

Leadership Indicators**1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Employees	Yes
Workers	-

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Lemon Tree makes sure that all the relevant clauses dealing with statutory compliance are validated and honoured by both sides.

3 Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY23	FY22	FY23	FY22
Employees	2	NA	2	NA
Workers	-	-	-	-

4 Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes. We re-employ recommended employees who have superannuated and who wish to continue working with us on a merit basis.

5 Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	None
Working Conditions	None

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators****1 Describe the processes for identifying key stakeholder groups of the entity.**

Engaging with our stakeholders is vital as it enables us to comprehend and align with their expectations, ultimately leading to better satisfaction. Their diverse needs serve as valuable inputs that shape our goals and strategic decisions. We have identified twelve (12) distinct stakeholder groups, and we maintain clear commitments to each of them, ensuring we address their specific requirements effectively.

Stakeholder Category	Why we need to engage	How we engage
Employees	Our employees create guest experiences and ensure that their expectations are met and even exceeded. We rely on the service delivery of our employees to enhance our brand image through exceptional service.	We regularly engage with our employees through internal town halls and other mechanisms. Frequent team-building exercises foster harmony and bring synergy to our team. We also rely on forums including new employee "fresh-eyes" discussions and weekly engagement chats between hotel managers and employees on a one-on-one basis to assess their needs.
Customers	Our customers are key stakeholders who experience our service delivery. Our revenues are directly linked with the trust and relationships that we nurture with our customers. Their feedback is critical to our financial success. Our brand standards too evolve based on this ongoing feedback.	We invite direct feedback from our customers prior to departure from our hotels. We also track their comments on our services after they have left our premises i.e. through Online Relationship Management (ORM) platforms. We monitor our social media engagement to understand the live feedback of our customers. We update our customers about hotel launches, new services, and/or periodic offers, through our loyalty programme via emailers, newsletters, etc.
Regulatory Bodies and Government	Ongoing engagement with regulatory bodies and the federal/state/local governments. We seek their support in complying with applicable laws and regulations.	They issue operating licenses and permits, which are critical for us to conduct our business.
Investors and Shareholders	Our investors and shareholders are interested in the success and sustainability of our business. They have provided the foundation, by providing capital, for our business to grow. The motivation to meet/exceed the expectations of our investors inspires us to continuously improve and, in that process, also deliver better value to other stakeholders.	Our quarterly presentations and annual meetings serve as an opportunity to engage with investors and shareholders regarding our performance and get their feedback. We also invite their feedback on our annual disclosures.

Stakeholder Category	Why we need to engage	How we engage
Owners and Partners	Owners/partners who own managed hotels (run by Lemon Tree Hotels) are also responsible for maintaining our brand standards. This asset-light growth model is critical to our business success as it ensures quick geographic spread and penetration, and offers our customers a wide choice across the country.	Our business development team and marketing team engages with owners and partners to ensure they have the necessary tools and support to uphold and enhance our brand's reputation. We also have regular discussions through bilateral meetings with owners and partners.
Suppliers and Vendors	Engaging regularly with our suppliers and vendors is critical for our business, to ensure that the products and services they deliver to us meet our brand standards.	We engage with them frequently through informal interactions and periodical reviews. We discuss product quality, product specifications, timely supply, pricing and payment terms along with ethical and responsible sourcing.
Contractors	We are also supported by an outsourced workforce in providing quality services to our customers. This makes it critical for us to engage with our contractors who ensure the availability of trained staff who can deliver on our standards.	We engage with them frequently through informal interactions, meetings and periodical reviews to discuss matters pertaining to the well-being and engagement levels of our outsourced workforce.
Online Travel Agencies/Portals	Online Travel Agencies support us in customer acquisition along with providing us insights into customer behavior and decision-making criteria. Reviewing customer feedback on their platforms is an important aspect of our business.	We maintain an open dialogue and conduct frequent meetings to stay connected with them.
NGOs	NGOs help us deliver on our commitment to being an equal opportunity employer by supporting us in selecting and training candidates with disability and candidates from economically/socially marginalised backgrounds (together called Opportunity Deprived Indians (ODIs)). Moving forward, they will play a pivotal role in supporting the design and implementation of our CSR initiatives.	Our annual reports help our NGO partners assess our priorities and we engage with them regarding further opportunities for collaboration through regular meetings and specific engagement events.
Local Communities	We engage with local communities to understand their needs which helps us deliver greater impact through curated social welfare programmes.	We engage with them through our NGO partners and/or local hotel teams.
Industry Associations	Industry associations serve as a platform for us to understand business trends and opportunities and collaborate with our peers in the travel and tourism industry.	We engage in multilateral meetings and events through industry associations and utilise these platforms to communicate our initiatives and learn about the initiatives of others.
Media	We leverage our relationship with media for brand building, engagement with local communities on different initiatives as well as release press notes on hotel launches, special promotions, and offers.	We engage with media agencies and personnel regularly through press releases, press notes, and briefings. The intent is to publicise our new hotel openings and initiatives. We curate news briefs exclusively for our media partners to keep them apprised of relevant updates about our operations.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Yes, employees who are Opportunity Deprived Indians (including Employees with Disability and Employees from Economically/Socially marginalised segments)	<ul style="list-style-type: none"> Town halls meetings Team-building exercises Fresh-eyes discussion Weekly engagement chats 	<ul style="list-style-type: none"> Weekly Monthly Quarterly Annually 	<ul style="list-style-type: none"> Health, Safety and Well-Being Talent Management and Retention Diversity and Inclusion Ethics and Transparency Energy management Water Management Waste Management Climate Change

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Daily Need based 	<ul style="list-style-type: none"> Health, Safety and Well-Being Data Privacy Diversity and Inclusion Ethics and transparency Climate Change
Regulatory Bodies and Government	No	<ul style="list-style-type: none"> One-on-one meetings Government portals and emails 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Regulatory compliance
Investors and Shareholders	No	<ul style="list-style-type: none"> Quarterly presentations Annual meetings Feedback on annual disclosures 	<ul style="list-style-type: none"> Quarterly Need based 	<ul style="list-style-type: none"> Economic Performance Diversity and Inclusion Energy Management Water Management Waste Management Climate Change Customer Satisfaction Ethics and Transparency
Owners and Partners	No	<ul style="list-style-type: none"> Regular engagement Bilateral meetings 	<ul style="list-style-type: none"> Need based Quarterly Annually 	<ul style="list-style-type: none"> Economic Performance Regulatory Compliance Ethics and Transparency Diversity and Inclusion Energy Management Water Management Biodiversity Protection Waste Management Climate Change
Suppliers and Vendors	No	<ul style="list-style-type: none"> Informal interactions Periodic reviews Annual supplier audits 	<ul style="list-style-type: none"> Annually Need based 	<ul style="list-style-type: none"> Sustainable Supply Chain Commitment to Human Rights Customer Satisfaction
Contractors	No	<ul style="list-style-type: none"> Informal interactions Periodic reviews Annual supplier audits 	<ul style="list-style-type: none"> Annually Need based 	<ul style="list-style-type: none"> Sustainable Supply Chain Commitment to Human Rights Customer Satisfaction
Online Travel Agencies/ Portals	No	<ul style="list-style-type: none"> Online access to feedback from travellers/guests One-on-one meetings with the management of OTA 	<ul style="list-style-type: none"> Daily Need based 	<ul style="list-style-type: none"> Customer Satisfaction Ethics and Transparency
NGOs	Yes	<ul style="list-style-type: none"> Regular meetings Specific engagement events Annual reports 	<ul style="list-style-type: none"> Annually Need based 	<ul style="list-style-type: none"> Diversity and Inclusion Local Community Development Climate Change
Local Communities	Yes, some sections	<ul style="list-style-type: none"> Engagement through NGO partners 	<ul style="list-style-type: none"> Quarterly Annually 	<ul style="list-style-type: none"> Diversity and Inclusion Skilling/training (Talent Management) Local Community Development Climate Change
Industry Associations	No	<ul style="list-style-type: none"> Multilateral meetings 	<ul style="list-style-type: none"> Annually Need based 	<ul style="list-style-type: none"> Ethics and Transparency Regulatory Compliance Energy Management Water Management Diversity and Inclusion Skilling/training (Talent Management)

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Media	No	<ul style="list-style-type: none"> Press releases Press notes and briefings 	<ul style="list-style-type: none"> Quarterly Annually Need based 	<ul style="list-style-type: none"> Footprint Growth Customer Satisfaction Regulatory Compliance Energy Management Water Management Diversity and Inclusion

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We have set up various committees on economic and ESG governance and performance monitoring. These committees are Nomination and Remuneration Committee, Share Allotment Committee, Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The Nomination and Remuneration Committee, Finance Committee, Share Allotment Committee, Audit Committee, Stakeholders Relationship Committee, Sustainability Committee, Corporate Social Responsibility Committee, General Management Committee and Risk Management Committee are constituted by the Board. As per their respective terms of reference, the various Committees (statutory as well as internal) meet periodically to review the performance of the Company across various areas. A quarterly performance update and review is conducted by each committee (on the respective area) and consolidated reports/follow throughs are presented to the Board in the quarterly meeting. Also, the Company conducts the stakeholder engagement exercise on ESG topics, from time to time.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes

The outcomes of the materiality assessment/stakeholder engagement exercise help the company identify material topics in the area of sustainability/ESG. Based on key material topics, the company's policy setting and strategic approach are developed and implemented. Where required, goals are defined along with monitoring mechanisms and responsibility (for results) is assigned to members of the leadership team. As illustrations:

- Energy management:** We endeavour to monitor and reduce our energy consumption on an ongoing basis. We have implemented several initiatives including the use of renewable energy (RE) as well as adopting energy efficient systems across operations
- Water Management:** We acknowledge the need to ensure the most efficient use of water. We have implemented several initiatives to reduce our overall water consumption as well as adopt systems to effectively manage our water footprint
- Customer Satisfaction:** Our customer-centric approach enables us to provide curated and customised experiences to our guests and cater to their requirements. We regularly conduct satisfaction surveys to obtain feedback on our services
- Ethics and Transparency:** We ensure that we conduct our business in an ethical and transparent manner. This includes following a code of conduct as well as ensuring that we are guided by our Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy and Vigil Mechanism

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

VULNERABLE GROUP	CONCERNS	ACTION TAKEN
ODI Employees	<ul style="list-style-type: none"> Integration in the team Training in a manner that they can understand/receive the training content Supervision and guidance in the early stages 	<ul style="list-style-type: none"> All our hotel teams are regularly sensitised about disability and inclusion/diversity. All employees learn Indian Sign Language at Lemon Tree and their knowledge of the language is tested as well Training for Employees With Disability (EWD) is conducted in a manner that is suitable for that disability i.e. deaf colleagues are trained in an integrated session where there is a 'speaking' trainer and an ISL interpreter who translates alongside; low vision colleagues are given content that is inclusive and accessible; employees with intellectual/developmental disability or autism are not taught in a classroom and are trained through a 6 month+ internship All supervisors and managers are trained to guide new EWD team members ad to be patient with them for the first 6 months+ on the job
NGOs (in the disability sector)	<ul style="list-style-type: none"> Absence of an inclusive culture in society and the corporate sector Companies who are willing to hire Persons With Disability (PWD) Possibility of sustainable employment solutions 	<ul style="list-style-type: none"> Our hotels share extensive best practices with other companies in hospitality, restaurants, airlines, retail, BFSI, manufacturing, IT/ITES, and more. These sessions take place in-person and virtually within India and abroad (in-person in the UK (Glasgow), Singapore, and Switzerland and virtual in the UK, Japan, Europe, Israel, and more) We are an active employer of PWD and act as a strategic partner to NGOs working in the disability space. This is done across its 88 hotels in India located in 56 destinations. The inclusion initiative was started in 2007 and has continued through these 16 years (despite the pandemic) making it a highly sustainable endeavour.
Communities (segment of PWD)	<ul style="list-style-type: none"> Absence of an inclusive culture in society and the corporate sector Skilling and training to make PWD candidates employable Companies who are willing to hire Persons With Disability (PWD) 	<p>Similar to the above plus</p> <ul style="list-style-type: none"> The Chairman & Managing Director of Lemon Tree was the founding Chairperson of Skill Council for Persons with Disability (SCPWD) and served 2 terms over 5 years. SCPWD is a part of the National Skill Development Council (NSDC) and focussed on making training inclusive and implementable for PWD with different types of disability including deaf, visually impaired, othropaedically handicapped, Down Syndrome, autism, etc. Lemon Tree has engaged regularly with the Ministry of Social Justice (MSJE) with the Department of PWD (DePWD) w.r.t. skilling methodology, making companies inclusive and more.

PRINCIPLE 5 Businesses should respect and promote human rights



Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY23			FY22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,042	822	40	In FY22, we were not conducting ESG specific training.		
Other than permanent	405	250	62			
Total Employees	2,447	1,072	44			
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY23					FY22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	2,071	125	6	1,946	94	1,768	480	27	1,288	73
Female	249	15	6	234	94	182	63	35	119	65
Other than Permanent										
Male	719	249	35	470	65	659	463	70	196	30
Female	86	36	42	50	58	71	64	90	7	10
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3 Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	6	-	1	-
Key Managerial Personnel	2	₹48,00,000 p.a.	0	-
Employees other than BoD and KMP	2,787	₹2,48,000 p.a.	335	₹2,32,000 p.a.
Workers	-	-	-	-

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The implementation of our Human Rights policy is jointly handled by Corporate HR and the ESG Task Force. This is done through all initiatives around recruitment, training, sensitisation, and diversity/inclusion.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

All grievances are addressed as and when received by the respective Hotel General Managers/Executive Assistant Managers/ Assistant Hotel Managers/ Department Heads in coordination with HR and the Corporate Office team (HR, ESG, and relevant Corporate Function Head). All the grievances received are duly investigated and appropriate actions are taken to resolve the matter. Whenever required, disciplinary action is taken to ensure such inappropriate behaviour is not repeated by any employee. For example:

- Our Code of Conduct known as the 'LTH Code', acts as an important guiding force for ensuring that we all work collectively to function as a responsible and ethical organisation. Acting with integrity is key to our organisational growth as well as our future prospects. This code, applicable to all employees of the company, including members of the Board and Senior Management, outlines our commitment to upholding the core values of Lemon Tree including acting with integrity and transparency within the organisation. The Code is supported by a policy on the Prevention of Sexual Harassment (POSH) at the workplace. Any POSH-related complaints are handled by the Internal Complaints Committee.
- Our Whistleblower Policy encourages our employees and others to report violations or suspected violations of the LTH Code and/or any instances of misconduct. This policy provides a robust mechanism

for investigating and resolving whistleblower complaints in a time-bound manner while ensuring that our employees are able to raise their concerns without any fear of victimisation and discrimination. We have an open-door policy in order to enable our employees to share their grievances with any member of the management team, apart from their direct supervisor.

6 Number of Complaints on the following made by employees and workers:

	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	No case filed	0	0	No case filed
Discrimination at workplace	0	0	No case filed	0	0	No case filed
Child Labour	0	0	No case filed	0	0	No case filed
Forced Labour/Involuntary Labour	0	0	No case filed	0	0	No case filed
Wages	0	0	No case filed	0	0	No case filed
Other human rights related issues	0	0	No case filed	0	0	No case filed

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have a stringent Sexual Harassment Policy in place, managed by the Ombudsman. Each of our hotels and the Corporate Office has a dedicated POSH committee. Additionally, we have policies for Vigilance/Whistleblower, Prevention of Corrupt Practices, and a comprehensive Code of Conduct. Ensuring a safe and transparent environment, we prioritise all complaints and maintain complete anonymity for the individuals who raise them.

8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Lemon Tree believes in the principles of the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organisation (ILO) Core Conventions on Labor Standards, all of which include human rights clauses. These clauses are part of the agreements/contracts with suppliers, partners, and NGOs. They are now being extended across the supply chain in the form of the Supplier Code of Conduct.

9 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

10 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

NA since we have no reported cases.

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No complaints were received for FY23 for Human Rights violations. Therefore, there were no modifications or introductions made to our business practices as a result of addressing human rights grievances or complaints. Our Human Rights policy is accessible on our brand website.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

We adhere to the principles of the United Nations Global Compact (UNGC), which includes Human Rights clauses. These clauses are an integral part of our Company's contracts, such as the Supplier/Vendor Code of Conduct. We foster a culture of caring and trust, which is deeply embedded in our policies, including the Environment, Health & Safety Policy, Whistle-Blower policy, and Code of Conduct (in the GSRR). We have established a comprehensive Code of Conduct applicable to both senior management and employees, with the objective of promoting ethical business conduct and instilling a strong sense of ownership within our team.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

All Lemon Tree hotels are designed for universal access. Our approach is centred around creating barrier-free environments that cater to guests of all abilities, mobility levels, and ages. By ensuring accessibility in our public bathrooms and restaurants, we warmly welcome guests with disabilities into our local community. Moreover, our in-house specially-abled guests also enjoy the convenience and comfort of well-designed rooms tailored to their needs.

For the majority of our hotels, the guest experience begins with a ramp at the entrance, providing easy access to the lobby and reception. The lobby area seamlessly connects to elevators, a specially designed public toilet for physically challenged guests, and the coffee shop. We prioritise accessibility to ensure a hassle-free and enjoyable stay for all our valued guests.

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	None
Forced/involuntary labour	None
Sexual harassment	None
Discrimination at workplace	None
Wages	None
Others – please specify	None

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

The company's approach towards the principle or rationale is to be mentioned here.



Essential Indicators

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY23	FY22
Total electricity consumption (A) (in GJ)	1,60,457	1,07,838
Total fuel consumption (B) (in GJ)	69,178	50,755
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C) (in GJ)	2,29,635	1,58,593
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (in GJ/₹)	0.000000984	0.0000001489
Energy intensity (optional) – the relevant metric may be selected by the entity (KWH/m ²)	118.950	78.740
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, assurance is done for the integrated report by FELIX advisory. At Lemon Tree Premier, Ulsoor Lake, Bengaluru, Lemon Tree Hotel, Gachibowli, Hyderabad there was an audit conducted by IGBC as part of the certification process	Yes, assurance is done for the integrated report by FELIX advisory. At Aurika, Udaipur & Lemon Tree Premier, Mumbai International Airport there was an audit conducted by IGBC as part of the certification process

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	2,56,197	2,28,563
(iii) Third party water	4,82,978	3,11,742
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,39,175	5,40,305
Total volume of water consumption (in kilolitres)	7,39,175	5,40,305
Water intensity per rupee of turnover (Water consumed / turnover)	0.00008798	0.0001409
Water intensity (optional) – the relevant metric may be selected by the entity (KL/m ²)	1.97	1.42
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, assurance is done for the integrated report by FELIX advisory. At Lemon Tree Premier, Ulsoor Lake, Bengaluru, Lemon Tree Hotel, Gachibowli, Hyderabad there was an audit conducted by IGBC as part of the certification process	Yes, assurance is done for the integrated report by FELIX advisory. At Aurika, Udaipur & Lemon Tree Premier, Mumbai International Airport there was an audit conducted by IGBC as part of the certification process

4 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY23	FY22
NOx	-	Currently, we do not have a monitoring system in place to track air pollutants other than greenhouse gases (GHGs).	
SOx	-	However, we are planning to implement one in the coming years.	
Particulate matter (PM)	-		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – please specify	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10,115	6,160
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	31,850	20,547
Total Scope 1 and Scope 2 emissions per rupee of turnover	Kg CO ₂ equivalent/₹	0.004995	0.006964
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric Tonnes of CO ₂ equivalent/m ²	0.1119	0.0701

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is done for the integrated report by FELIX advisory. At Lemon Tree Premier, Ulsoor Lake, Bengaluru, Lemon Tree Hotel, Gachibowli, Hyderabad there was an audit conducted by IGBC as part of the certification process	Yes, assurance is done for the integrated report by FELIX advisory. At Aurika, Udaipur, Udaipur & Lemon Tree Premier, Mumbai International Airport there was an audit conducted by IGBC as part of the certification process
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7 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

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

- Increasing share of renewable energy
- Use of energy efficient equipment
- Action plan to use EV vehicles in hotels
- Use of cleaner fuels (LPG, CNG)
- Phasing out of equipment using Chlorofluorocarbons (CFCs) from our operations
- Planting trees in the neighbourhood or on our premises across India
- Exploring the possibility of going for carbon offsets to further mitigate the adverse effects of emissions from our operations

8 Provide details related to waste management by the entity, in the following format:

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	100.50	61.66
E-waste (B)	5.00	1.94
Bio-medical waste (C)	1.26	1.64
Construction and demolition waste (D)	16.08	8.02
Battery waste (E)	6.73	8.38
Radioactive waste (F)	0.04	0.00
Other Hazardous waste. Please specify, if any. (G)	2.82	2.19
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	171.74	132.04
Total (A+B + C + D + E + F + G + H)	304.16	215.87
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Through our Waste Management policy, we intend to achieve the following objectives:

1. Deploy best-in-class practices for waste reduction, segregation, and management of waste
2. Identify, classify, and measure the amount of waste generated throughout the LTH portfolio of owned and managed hotels
3. Reduce, reuse, and recycle various types of waste produced throughout the hotel premises across various areas of operations, guestrooms, restaurants, public areas, and back-of-the-house operations
4. Ensure all existing and new hotels are compliant with the environmental laws as outlined by the Ministry of Environment, Forest and Climate Change (MOEF&CC)
5. Through training and support, ensure that all employees are aware of their responsibilities as per company ESG policy, Waste Management policy, and local laws (where applicable)
6. Achieve an optimal waste reduction and diversion rate to measure the performance of our waste management processes

Hazardous waste:

- Used lube oil from DG sets/blowers, etc. – Engineering department
- Used edible oils from kitchens – F&B Production department

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Bandhavgarh, Madhya Pradesh	Hotel	Yes, Forest NOC
2	Kochi, Kerala	Hotel	Yes, Coastal Regulation Zone
3	Muhhamma(Alleppey) Kerala	Hotel	Yes, Coastal Regulation Zone
4	Candolim, Goa	Hotel	Yes, Coastal Regulation Zone

11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA, as no Environmental Impact Assessment was undertaken during the reporting period.				

12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		Yes		

Leadership Indicators

1 Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY23	FY22
From renewable sources		
Total electricity consumption (A) (in GJ)	17,596.73	16,442.83
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C) (in GJ)	17,596.73	16,442.83
From non renewable sources		
Total electricity consumption (D) (in GJ)	1,42,860.52	91,394.91
Total fuel consumption (E) (in GJ)	69,178	50,755
Energy consumption through other sources (F)	-	-
Total energy consumption (D+E+F) (in GJ)	2,12,038.52	1,42,149.91
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, assurance is done for the integrated report by FELIX advisory. At Lemon Tree Premier, Ulsoor Lake, Bengaluru, Lemon Tree Hotel, Gachibowli, Hyderabad there was an audit conducted by IGBC as part of the certification process	Yes, assurance is done for the integrated report by FELIX advisory. At Aurika, Udaipur & Lemon Tree Premier, Mumbai International Airport there was an audit conducted by IGBC as part of the certification process

2 Provide the following details related to water discharged:

Parameter	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	2,655	NA
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	2,655	0
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, assurance is done for the integrated report by FELIX advisory. At Lemon Tree Premier, Ulsoor Lake, Bengaluru, Lemon Tree Hotel, Gachibowli, Hyderabad there was an audit conducted by IGBC as part of the certification process	Yes, assurance is done for the integrated report by FELIX advisory. At Aurika, Udaipur & Lemon Tree Premier, Mumbai International Airport there was an audit conducted by IGBC as part of the certification process

3 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

Gurugram, Goa, Indore, Kaushambi/ Ghaziabad, Aurangabad, Muhamma (Kerala), Ahmedabad, Chennai, Bengaluru, Jaipur, Delhi, Bengaluru, Hyderabad, Chandigarh, Bandhavgarh, Dehradun, Pune, Mumbai, Kolkata, Udaipur, Thiruvananthapuram, Kochi, Ludhiana, Vishakhapatnam

(ii) Nature of operations

Hotel / Service Industry

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	2,56,197	2,28,563
(iii) Third party water	4,82,978	3,11,742
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,39,175	5,40,305
Total volume of water consumption (in kilolitres)	7,30,549	5,40,305
Water intensity per rupee of turnover (Water consumed / turnover)	0.00008695	0.0001409
Water intensity (optional) – the relevant metric may be selected by the entity (KL/m2)	1.95	1.42

Parameter	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	2,655	NA
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	2,655	0
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, assurance is done for the integrated report by FELIX advisory. At Lemon Tree Premier, Ulsoor Lake, Bengaluru, Lemon Tree Hotel, Gachibowli, Hyderabad there was an audit conducted by IGBC as part of the certification process	Yes, assurance is done for the integrated report by FELIX advisory. At Aurika, Udaipur & Lemon Tree Premier, Mumbai International Airport there was an audit conducted by IGBC as part of the certification process

Note: All Lemon Tree hotels operate in water-stress regions.

4 Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY23	FY 22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		NA	NA

5 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Lemon Tree's property in Bandhavgarh is located near a forest and the properties in Cochin, Muhamma/ Alleppey, and Candolim, Goa are located in coastal regulation zones.

We recognise the impact of the development and operations of our hotels and accept our responsibility towards the surrounding environment, natural resources, and biodiversity of the locations where we have our properties. We try to ensure that none of our operations lie within the boundaries of designated protected areas, such as national parks and wildlife reserves. Further, we shall strive to integrate our commitment to conserving biodiversity and habitat into our development/acquisitions and operations strategy.

For example at Bandhavgarh, some of the measures taken by us to minimise our environmental footprint include:

- **Waste Management:** We have discontinued the use of packaged drinking water, plastic cutlery, miniature toiletries, and single-use plastic. We have also selected a local partner to process and manage our kitchen waste and the compost generated through this is used in and around the reserve.
- **Water Management:** The water we use at the resort is treated at the Sewage Treatment Plant and reused to maintain the gardens at our hotel while ensuring no harmful water discharge in and around the resort.
- **Supporting Local Flora and Fauna:** We recognise our role in supporting the local forest division in managing forest fires near the resort. Furthermore, we have also planted over 100 trees within our premises to maintain the greenery of the surrounding areas.

These initiatives have helped us in ensuring that our operations are not in conflict with nature.

6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	LED Bulbs	Energy-efficient, long-lasting, eco-friendly lighting solution with versatile applications	80% Energy savings on lighting load, cost reduction, environmental benefits, improved lighting quality
2	Duel Flush	Water conservation, reduced utility bills, sustainable bathroom solution, environmental impact.	Reduced water usage by using 60% less water per flush, lower utility bills, environmental sustainability
3	VFD	Energy efficiency, precise motor control, cost savings, reduced environmental impact	10% Energy savings in the equipment VFD is installed, reduced electricity costs, improved process control, enhanced efficiency
4	Water Fixtures	Water Conservation, reduced water usage, cost savings, sustainable water management	Water outlets can be customised without diminishing guest experience, lower water bills, reduced strain on water resources
5	Bottling Plant	Sustainable packaging, controlled production, job creation, efficiency, Efficient production, safe distribution of bottled beverages	Ensuring water quality, Reduction in drinking water cost per litre, Reduced plastic waste, improved packaging, efficient production, economic opportunities
6	Heat Pump	Energy-efficient heating and cooling, reduced utility costs, environmental sustainability	Low payback period, Lower energy consumption, reduced carbon emissions, cost savings, enhanced comfort, By product is cool air which can be used at designated areas.
7	Solar Thermal	Renewable energy, reduced carbon footprint, cost savings, sustainable heating solution	Enhanced performance of Hot Water Generator, Clean energy, reduced reliance on fossil fuels, cost savings, environmental sustainability
8	RE onsite	Energy independence, sustainability, cost savings, reduced carbon footprint, environmental stewardship.	Clean energy, reduced reliance on fossil fuels, cost savings, environmental sustainability
9	RE offsite	Expanded renewable energy access, reduced grid dependency, carbon reduction, sustainability, supporting remote communities, environmental stewardship, innovation	Increased renewable energy generation, reduced carbon emissions, enhanced grid resilience, sustainable development
10	STP	Protects water resources, prevents pollution, ensures public health, promotes environmental sustainability, wastewater management, community well-being.	Saves domestic water usage by using the treated water for secondary systems and applications viz.gardening/flushing. Cleaner water bodies, reduced pollution, improved public health, environmental protection

7 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, we have a business continuity and disaster management plan in place. The business continuity plan highlights different steps that need to be taken to mitigate the losses in case of steep revenue falls. For information regarding the disaster management plan, please refer to the Risk Management Policy on the brand website under Investor Relations

Risk Management Policy- https://www.lemontreehotels.com/factsheet/Policies/Risk_Management_Policy.pdf

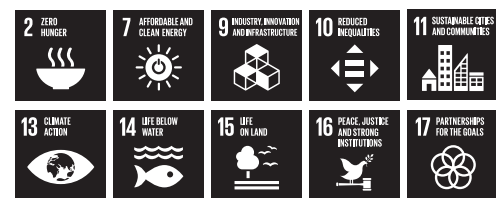
8 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact has been reported by any value chain partner.

9 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None, however we actively encourage our value chain partners to adopt and adhere to best environmental practices in their operations and business. A newly defined Suppliers Code of Conduct has been extended to vendors and service providers which covers the need for compliance with environmental regulations, health and safety, labour practices, human rights aspects, minimum wages, freedom of association, collective bargaining, prohibition of child labour and forced and compulsory labour, ethical behaviour, transparency in business processes and environment conservation.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/ associations
Eight
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Hotel & Restaurant Associations of India (FHRAI)	National
3	Hotel Association of India (HAI)	National
4	Hotel and Restaurant Association of Northern India (HRANI)	State
5	Hotel and Restaurant Association of Western India (HRAWI)	State
6	South India Hotels and Restaurants Association (SIHRA)	State
7	Association of Domestic Tour Operators of India (ADTOI)	National
8	Indian Association of Tour Operators (IATO)	National

2 Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

NA as there were no instances of non-compliance reported during FY23.

Leadership Indicators

1 Details of public policy positions advocated by the entity:

Given our expertise in hospitality, inclusion/diversity, and sustainability/ESG, we regularly engage with various stakeholders, including government and regulators, associations and industry chambers. We actively provide our inputs on various areas, such as hotel construction and design, hotel services, inclusion/diversity, skilling of individuals with special needs, renewable energy and more. Over the last two decades, our leadership team has played a pivotal role in shaping public policy and has been invited to participate in numerous committees and task forces. We are committed to contributing to this process responsibly and ethically, ensuring a positive and meaningful impact.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development



Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link	Relevant Web link
	No					
NA						

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA. No rehabilitation and resettlement were undertaken by Lemon Tree Hotels.					

3 Describe the mechanisms to receive and redress grievances of the community.

At our Company's hotel construction sites, we collect public complaints through mail/email. The projects team handles these complaints or grievances, with assistance from the Corporate Office when necessary. Additionally, any community member can send their complaint to hi@lemontreehotels.com, and we direct the matter to the appropriate Corporate Function Head for investigation and resolution.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY23	FY22
Directly sourced from MSMEs/ small producers	70%	68%
Sourced directly from within the district and neighbouring districts	85%	85%

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	NA

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount spent (In INR)
This information is not currently available			

3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)
Lemon Trees' sourcing policy does not grant preferential treatment to marginalised or vulnerable suppliers. However, we actively promote procurement from such suppliers, such as acquiring Bastar art from tribal artists in Bastar, Madhya Pradesh.

(b) From which marginalised /vulnerable groups do you procure?

We procure bronze statues and Bastar art directly from tribal artists in Bastar, Madhya Pradesh.

(c) What percentage of total procurement (by value) does it constitute?

In FY23, our purchases accounted for 0% (as they were made in earlier years).

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1	Muskaan PAEPID (skilling of PwD)	50	100
2	Action For Autism (skilling of PwD)	14	100
3	Green Genra Technologies (anti smog machine)	All guests and visitors to our Aerocity property, as well as all employees	NA

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner



Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We place significant emphasis on customer feedback and Online Reputation Management (ORM). A dedicated team focuses on this aspect across the group, aiming to promptly address any service errors or shortcomings through a well-organised process involving the Hotel Operations Team and the ORM team. We actively encourage our guests to provide feedback through various channels, viz. our Guest

Satisfaction Tracking System (GSTS) online source like Tripadvisor and social media platforms and OTAs, including booking.com, makemytrip.com and many more. By valuing and attentively addressing their comments, we continually enhance our services and ensure that our guests' are content.

2 Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA as Lemon Tree does not have specific consumer products. We offer our guests a combination of products (hotel room, food, etc.) and services (check-in, dining, gym, spa, swimming pool). All ESG efforts by the Company get included in any service that we provide.
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY23		Remarks	FY22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	0	0	-	2	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4 Details of instances of product recalls on account of safety issues.

NA

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we maintain a rigorous cybersecurity practice and have implemented necessary measures to ensure the protection of personal information provided to us by our stakeholders. Our database is designed to store this information in a secure environment, safeguarding it from any loss, misuse, wrongful disclosure, destruction, or alteration. We regularly review our security measures to stay aligned with business, technological advancements, and regulatory requirements. The security of our stakeholders' data is of utmost importance to us.

Privacy Policy-<https://www.lemontreehotels.com/privacy-policy.aspx>

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None

Leadership Indicators

1 Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Lemon Tree's offerings and brand details can be found in the About Us section of our brand website. www.lemontreehotels.com

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We effectively communicate our sustainability efforts and initiatives to our guests through a number of channels including Lemon Tree's digital platforms, brochures and other collaterals in guest rooms. We find opportunities for our guests to engage in our sustainability activities, example, our half-glass water initiative; third-day linen change; tree plantation in the neighbourhood and more.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Any updates for our guests and customers are the risk of disruption/discontinuation (temporarily) of hotel services is always displayed on our brand website. For example, we had a COVID-19 update page where all safety protocols and hygiene processes were explained during the 2+ years of the pandemic.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

NA.

5 Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

None

b. Percentage of data breaches involving personally identifiable information of customers

NA

Independent Auditor's Report

To The Members of Lemon Tree Hotels Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Lemon Tree Hotels Limited ("the Parent"), its subsidiaries and Limited Liability Partnership Firm (the Parent, its subsidiaries and Limited Liability Partnership Firm together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year 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, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows

and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Impairment assessment of hotel properties in subsidiaries (Refer Note 33(a) to the Consolidated Financial Statements)</p> <p>At each reporting period, the Group assesses the carrying amounts of hotel properties of subsidiaries (CGU) to determine whether there is any indication that those assets have suffered an impairment loss.</p> <p>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.</p>	<p>Principal Audit Procedures performed:</p> <p>i. Obtained an understanding of the Group's process for projecting the future cash flows and evaluated the significant assumptions used for determining the recoverable amount of CGU.</p> <p>ii. Tested the design, implementation and operating effectiveness of relevant internal controls relating to estimate of future cash flows for the purpose of determining recoverable amount of CGU.</p> <p>iii. 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;</p> <p>iv. Assessed the reliability of cash flow forecasts through a review of actual past performance;</p>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>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.</p> <p>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.</p>	<p>v. Challenged the assumptions used in the cash flow forecasts which includes occupancy rate, average room rate. To consider forecasting risk we also performed sensitivity analysis over these assumptions.</p> <p>vi. We have used valuation specialist to assess the appropriateness of the weighted average cost of capital used in the determining recoverable amount.</p> <p>vii. We have tested the arithmetical accuracy of the model and assessed the disclosures made by the Group in relation to this matter.</p>

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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the 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 Management 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 to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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, its subsidiaries and associate companies which are companies incorporated in India, has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We

are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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 Krizm Hotels Private Limited Employees Welfare Trust ("the Trust") included in the standalone financial statements of the Parent included in the Group whose financial statements reflect total assets of ₹ 178.51 lakhs as at March 31, 2023, total revenue of ₹ Nil and net cash outflows amounting to ₹ 12.96 lakhs for the year ended on that date, as

considered in the standalone financial statements of the Parent included in the Group. These financial statements have been audited by the other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such Trust, is based solely on the report of the other auditor.

- (b) We did not audit the financial statements of 21 subsidiaries and 1 Limited Liability Partnership Firm (as mentioned below), whose financial statements reflect total assets of ₹ 89,491.53 lakhs as at March 31, 2023, total revenues of ₹ 18,757.65 lakhs and net cash outflows amounting to ₹ 126.58 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 86.88 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 3 associates (as mentioned below), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, Limited Liability Partnership and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, Limited Liability Partnership and associates is based solely on the reports of the other auditors.

Subsidiaries, Limited Liability Partnership Firm and Associates included in the consolidated financial statements and not audited by us are as below:

A. Subsidiaries –

1. 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. Inovia Hotels and Resorts Limited
14. Ophrys Hotels Private Limited
15. Bandhav Resorts Private Limited
16. Celsia Hotels Private Limited
17. Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited)
18. Madder Stays Private Limited
19. Hamstede Living Private Limited
20. Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)
21. Totally Foxed Solutions Private Limited

B. Limited Liability Partnership Firm

1. Mezereon Hotels LLP

C. Associates

1. Mind Leaders Learning India Private Limited
2. Pelican Facilities Management Private Limited
3. Glendale Marketing Services Private Limited

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, Limited Liability Partnership and associates incorporated in India referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law 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 Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 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, 2023 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 with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India to whom internal financial controls with reference to financial statements is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- 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 and based on the auditor's reports of subsidiary companies and associate companies, the remuneration paid by the Parent and such subsidiary companies and associate companies to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.
- 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) to the consolidated financial statements;
- ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer note 48 to the consolidated financial statements.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, its subsidiary companies and associate companies incorporated in India. Refer note 49 to the consolidated financial statements.
- iv) (a) The respective Managements of the Parent its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 53(v) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries, associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 53(vi) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Manakin Resorts Private Limited	U55101DL2005PTC212230	Wholly Owned Subsidiary	xvii
Grey Fox Project Management Company Private Limited	U74140DL2012PTC238272	Wholly Owned Subsidiary	xvii
Lemon Tree Hotel Company Private Limited	U55101DL2007PTC158376	Wholly Owned Subsidiary	xvii
Red Fox Hotel Company Private Limited	U55204DL2007PTC157848	Wholly Owned Subsidiary	xvii
Valerian Management Services Private Limited	U20296DL2007PTC169518	Wholly Owned Subsidiary	xvii
IORA Hotels Private Limited	U55101DL2009PTC192981	Subsidiary	xvii and ix(d)
Ophrys Hotels Private Limited	U55101DL2007PTC166020	Subsidiary	xvii
Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited)	U55100DL2018PTC342345	Wholly Owned Subsidiary	xvii
Madder Stays Private Limited	U74999DL2018PTC342313	Wholly Owned Subsidiary	xvii
Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)	U55100DL2018PTC342311	Wholly Owned Subsidiary	xvii

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Rajesh Kumar Agarwal
Partner
Membership No. 105546
UDIN 23105546BGXMSM1886

Place: New Delhi
Date: May 30, 2023

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 with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Lemon Tree Hotels Limited (hereinafter referred to as "the 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 with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India,

have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far 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 matters.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/ W-100018

Rajesh Kumar Agarwal

Partner

Place: New Delhi

Membership No. 105546

Date: May 30, 2023

UDIN 23105546BGXMSM1886

Consolidated Balance Sheet

as at March 31, 2023

	Note No.	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	2,45,048.04	2,50,957.65
(b) Capital work-in-progress	4	46,910.37	29,455.09
(c) Investment Property	5	176.33	179.90
(d) Goodwill on consolidation	6.1	9,508.43	9,508.44
(e) Intangible assets	6.1	635.72	1,469.76
(f) Intangible asset under development	6.2	1,307.33	227.91
(g) Right-of-use asset	7	40,364.48	42,987.60
(h) Financial assets	8		
(i) Investments		453.94	367.13
(ii) Loans		30.00	41.21
(iii) Other non-current financial assets		8,110.53	7,585.79
(i) Deferred tax assets (net)	9.1	3,647.31	4,607.62
(j) Non-current tax assets (net)	9.2	1,859.37	2,445.80
(k) Other non-current assets	10	1,576.51	571.43
		3,59,628.36	3,50,405.33
Current assets			
(a) Inventories	11	1,052.23	812.31
(b) Financial assets			
(i) Trade receivables	12	5,597.77	2,905.75
(ii) Cash and Cash equivalents	13	2,368.19	5,428.61
(iii) Other bank balances	14 (i)	379.68	-
(iv) Investments	8	99.70	594.73
(v) Other current-financial assets	14 (ii)	359.10	237.72
(c) Other current assets	15	3,746.91	3,118.89
		13,603.58	13,098.01
		3,73,231.94	3,63,503.34
Total Assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	79,160.71	79,081.33
(b) Other Equity	17	6,212.06	4,043.55
Equity attributable to owners of the parent		85,372.77	83,124.88
(c) Non-controlling interests	18	55,969.45	56,763.00
		1,41,342.22	1,39,887.88
Liabilities			
Non-current liabilities			
(a) Financial liabilities	19		
(i) Borrowings		1,51,742.64	1,55,348.77
(ii) Lease liability	20	42,526.92	42,473.49
(b) Provisions	21	249.96	261.67
(c) Deferred tax liabilities (net)	9.1	358.23	200.53
		1,94,877.75	1,98,284.46
Current liabilities			
(a) Financial liabilities	22		
(i) Borrowings		22,830.26	14,516.18
(ii) Lease liability	20	583.52	458.13
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		1,417.41	627.81
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,262.30	5,223.31
(iv) Other current financial liabilities		3,258.34	619.11
(b) Provisions	21	559.89	1,977.54
(c) Other current liabilities	23	3,100.25	1,908.92
		37,011.97	25,331.00
		2,31,889.72	2,23,615.46
		3,73,231.94	3,63,503.34
Total Liabilities			
Total Equity and Liabilities			
See accompanying notes forming part of the financial statements.	1 to 54		

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal Partner
Patanjali Govind Keswani Chairman & Managing Director
Kapil Sharma Chief Financial Officer
Nikhil Sethi AVP Legal & Group Company Secretary
Mem. no. - A18883

Place : New Delhi
Date : May 30, 2023

Place : New Delhi
Date : May 30, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

	Note No.	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Revenue from operations	24	87,498.95	40,224.01
Other Income	25	357.65	1,402.99
Total Income		87,856.60	41,627.00
Expenses			
Cost of food and beverages consumed	26	4,990.36	2,785.37
Employee benefits expense	27	14,973.34	9,731.64
Power and fuel	28(a)	6,871.26	4,375.38
Stamp duty expenses	28(b)	478.42	1,525.03
Other expenses	28(c)	15,428.88	9,940.34
Total Expenses		42,742.26	28,357.76
Profit before finance cost, finance income, depreciation and amortisation and tax (EBITDA) (refer note 2.2(u))		45,114.34	13,269.24
Finance costs	29	18,234.65	18,093.70
Finance income	30	(517.41)	(695.92)
Depreciation and amortisation expense	31	9,660.16	10,434.75
Net Profit/(Loss) before tax and share of associates		17,736.94	(14,563.29)
Share of profit of associate		86.88	104.06
Profit/(Loss) before tax		17,823.82	(14,459.23)
Tax expense:			
(1) Current tax (including MAT)	9.1	2,692.87	25.24
(2) Deferred tax (including of MAT credit)		1,076.95	(748.30)
		3,769.82	(723.06)
Profit/(Loss) for the year		14,054.00	(13,736.17)
Other comprehensive income/(expenses)			
(i) Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		23.38	45.26
Income tax effect		(6.55)	(2.29)
		16.83	42.97
Total comprehensive income/(loss) for the year		14,070.83	(13,693.20)
Profit/(Loss) for the year		14,054.00	(13,736.17)
Attributable to:			
Equity holders of the parent		11,456.36	(8,743.39)
Non-controlling interests		2,597.64	(4,992.78)
Total comprehensive income/(loss) for the year		14,070.83	(13,693.20)
Attributable to:			
Equity holders of the parent		11,470.46	(8,717.22)
Non-controlling interests		2,600.37	(4,975.98)
Earning/(loss) per equity share (face value of ₹ 10 each)			
(1) Basic	32	1.45	(1.11)
(2) Diluted	32	1.45	(1.11)
See accompanying notes forming part of the financial statements.	1 to 54		

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal Partner
Patanjali Govind Keswani Chairman & Managing Director
Kapil Sharma Chief Financial Officer
Nikhil Sethi AVP Legal & Group Company Secretary
Mem. no. - A18883

Place : New Delhi
Date : May 30, 2023

Place : New Delhi
Date : May 30, 2023

Consolidated Statement of Changes in Equity

as at March 31, 2023

A. Equity Share Capital

	No. of shares	Amount ₹ in lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 1, 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
Change in shares held by ESOP trust (Refer Note 16)	7,93,850	79.38
As at March 31, 2023	79,16,07,223	79,160.71

B. Other Equity

	Reserves and Surplus					Items of Other comprehensive income	Non-controlling interests	Other equity	
	Capital reserve	Capital redemption reserve	Securities Premium	General Reserves	Surplus in the statement of profit and loss				Remeasurement gains (losses) on defined benefit plans and income tax effect
As at April 1, 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)	-	-	(13,736.17)	
Other comprehensive income 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	
Profit for the year	-	-	-	-	14,054.00	-	-	14,054.00	
Other comprehensive income for the year	-	-	-	-	-	16.83	-	16.83	
Total comprehensive loss for the year attributable to non-controlling interests	-	-	-	-	(2,597.64)	(2.73)	2,600.37	-	
Adjustment on acquisition of subsidiary (also Refer Note 44)	(9,393.24)	-	-	-	-	-	-	(9,393.24)	
Change in shares held by ESOP trust (Refer Note 17)	-	-	91.29	-	-	-	-	91.29	
Movement during the year	-	-	-	-	-	-	(3,393.92)	(3,393.92)	
As at March 31, 2023	19,372.88	45.00	10,543.18	3,035.24	(26,823.09)	38.85	55,969.45	62,181.51	

See accompanying notes forming part of the financial statements.

1 to 54

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal
Partner

Patanjali Govind 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 30, 2023

Place : New Delhi
Date : May 30, 2023

Consolidated Statement of Cash flow

for the year ended March 31, 2023

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
A. Cash flow from operating activities		
Profit/(Loss) before tax	17,823.82	(14,459.23)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	9,660.16	10,434.75
Waiver of lease rent	-	(576.60)
Share of Profit of associate	(86.88)	(104.06)
Finance income (including fair value change in financial instruments at amortised cost)	(414.20)	(616.15)
Finance costs	17,733.48	17,857.36
Government incentive scheme	(86.61)	-
Gain on termination of lease	-	(323.67)
Provision for gratuity	75.68	(20.93)
Provision for leave encashment	10.81	(20.59)
Provision for stamp duty	-	1,525.03
Excess provision/ credit balances written back	(137.60)	(368.89)
Provision for litigations	22.11	22.10
Provision for doubtful debts	6.74	88.30
Advances written off	0.48	-
Net (gain)/loss on sale of property, plant and equipment	(18.51)	18.92
Net gain on sale of current investments	(2.43)	(36.14)
Operating profit before working capital changes:	44,587.05	13,420.20
Movements in working capital:		
(Increase)/Decrease in trade receivables	(2,698.77)	87.83
(Increase)/Decrease in loans and advances and other current assets	(1,505.84)	1,220.64
(Increase)/Decrease in inventories	(239.92)	(89.86)
Increase/(Decrease) in liabilities and provisions	414.45	(943.90)
Cash Generated from Operations	40,556.97	13,694.91
Direct taxes paid (net of refunds)	(2,071.93)	(165.03)
Net cash flow generated from operating activities (A)	38,485.04	13,529.88
B. Cash flows used in investing activities		
Purchase of property, plant and equipment including adjustment of CWIP, capital advances and capital creditors	(16,204.27)	(6,754.90)
Proceeds from sale of property, plant and equipment	27.35	78.14
Receipt/(Investment) from/of Fixed Deposits (net)	(423.74)	1,585.56
Proceeds from sale of non current investments	-	236.19
Purchase of current investments	-	(500.45)
Proceeds from sale of current investments	502.88	-
Purchase of shares from minority interest	(12,787.15)	-
Interest received	567.67	811.17
Net Cash flow used in investing activities (B)	(28,317.26)	(4,544.29)

Consolidated Statement of Cash flow

for the year ended March 31, 2023

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
C Cash flows from financing activities*		
Proceeds from issuance of share capital	170.67	84.26
Payment towards reduction of outstanding lease liability	(3,790.77)	(3,721.17)
Proceeds from long-term borrowings	17,757.37	26,040.68
Repayment of long-term borrowings	(15,254.82)	(22,292.53)
Proceeds/(repayment) of short term borrowings (net)	2,205.40	(2,409.81)
Interest paid	(14,316.05)	(14,004.13)
Net Cash flow from/(used in) financing activities (C)	(13,228.20)	(16,302.70)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(3,060.42)	(7,317.11)
Cash and cash equivalents at the beginning of the year	5,428.61	12,745.72
Cash and cash equivalents at the end of the year	2,368.19	5,428.61
Components of cash and cash equivalents (Refer Note 13)		
Cash on Hand	79.99	74.07
Balances with Scheduled Banks in		
- Current accounts	1,709.42	3,184.34
- Deposits with original maturity of less than three months	578.78	2,170.20
Total cash and cash equivalents	2,368.19	5,428.61

*There are no non-cash changes arising from financing activities.

Summary of significant accounting policies

See accompanying notes forming part of the financial statements. 1 to 54

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal Partner	Patanjali Govind 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 30, 2023

Place : New Delhi
Date : May 30, 2023

Notes to consolidated financial statements

for the year ended March 31, 2023

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 30, 2023.

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, 2023. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances,

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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.

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, 2023	March 31, 2022
1.	Carnation Hotels Private Limited	Hotel Business	India	100%	74.90%
2.	Fleur Hotels Private Limited	Hotel Business	India	57.92%	55.67%
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%
10.	Sukhsagar Complexes Private Limited	Hotel Business	India	100%	100%
11.	Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Hotel Business	India	10%	10%
12.	Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited)	Hotel Business	India	100%	100%
13.	Madder Stays Private Limited	Rental Housing	India	100%	100%
14.	Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited)	Hotel Business	India	100%	100%
15.	Totally Foxed Solutions Private Limited	Digital transformation	India	100%	-
16.	Hamstede Living Private Limited	Rental Housing	India	100%	100%

b) Subsidiaries under Indirect Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of interest (Equity and CCPS)	
				March 31, 2023	March 31, 2022
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	57.92%	55.67%
3.	Invoa Hotels & Resorts Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.92%	55.67%
4.	IORA Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.92%	55.67%
5.	Hyacinth Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.92%	55.67%
6.	Bandhav Resorts Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.92%	55.67%
7.	Ophrys Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.92%	55.67%
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	57.92%	55.67%

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c) Associate

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of equity interest	
				March 31, 2023	March 31, 2022
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, 2023	March 31, 2022
1.	Mezereon Hotels LLP (Capital contribution by Fleur Hotels Private Limited & Celsia Hotels Private Limited)	Hotel Business	India	57.92%	55.67%

Consolidation procedure:

- 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.
- 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.
- 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.

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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.

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for the year ended March 31, 2023

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 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 recognised 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

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for the year ended March 31, 2023

the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

(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

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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 Amortised 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 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.

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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)

(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 recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

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 recognised on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognised 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 recognised 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 amortised 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 recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from the management services comprises fixed and variable income. An entity recognises revenue relating to the fixed income over time by measuring the progress towards complete satisfaction of the performance obligation. In respect of variable income, revenue is recognised is on an accrual basis in accordance with the terms of the relevant agreement.

Government Grant

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the

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entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity. Government grants are recognised where there is reasonable assurance that the Company will comply with the conditions attached to it and that the grants will be received.

Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense.

(f) Taxes

Tax expense represents current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in 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

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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.

(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/leased remaining life
Electrical installations and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	8-10 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 recognised is derecognised 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 derecognised.

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

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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 amortisation 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 amortised, 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 amount of the asset and are recognised in the income statement when the asset is derecognised.

(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 capitalised 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.

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Group as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group adopts the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, exercise price of a purchase option and payments of penalties for terminating the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises 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 recognised 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 recognised 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 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 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.

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for the year ended March 31, 2023

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 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 recognises contribution payable to the provident fund scheme as an expense, when an employee renders the

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for the year ended March 31, 2023

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 recognised 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 recognised 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales

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of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables etc. For more information on receivables, refer to Note 12.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised 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 recognised 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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- 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.

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for the year ended March 31, 2023

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) recognised during the year is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: There are no instruments measured at FVTOCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised 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.

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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.

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4. Capital work-in-progress

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Hotel at Shimla*		
Material	1,804.69	1,469.90
Salary wages & bonus	207.94	186.14
Professional charges	116.46	105.20
Others	5.70	5.70
	2,134.79	1,766.95

Particulars	Amount (₹ in lakhs)
Balance as at April 01, 2021	1,547.59
Additions during the year	219.36
Balance as at March 31, 2022	1,766.95
Additions during the year	367.84
Balance as at March 31, 2023	2,134.79

*Represents hotel under construction at Shimla, project is expected to be completed in financial year 2024-25.

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Hotel at MIAL Aerocity, Mumbai*#		
Material	26,439.78	11,663.53
Professional charges	3,555.08	2,922.19
Lease rent	9,406.78	8,265.28
-Salary wages & bonus	1,127.93	796.14
Borrowing Cost	162.23	152.64
Rates and taxes	4,072.39	3,882.67
Others	11.39	5.69
	44,775.58	27,688.14

Notes to consolidated financial statements

for the year ended March 31, 2023

Particulars	Amount (₹ in lakhs)
Balance as at April 01, 2021	22,628.00
Additions during the year	5,060.14
Balance as at March 31, 2022	27,688.14
Additions during the year	17,087.44
Balance as at March 31, 2023	44,775.58

*Represents hotel under construction at Mumbai, project is expected to be commissioned by financial year 2023-24

Refer note 43(b)

CWIP Ageing schedule

As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17,455.28	5,276.75	5,567.93	18,610.41	46,910.37
Total	17,455.28	5,276.75	5,567.93	18,610.41	46,910.37

As at March 31, 2022

	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

5. Investment Property

Particulars	Total
Gross Carrying amount	
As at April 1, 2021	209.82
Additions	-
As at March 31, 2022	209.82
Additions	-
As at March 31, 2023	209.82
Depreciation and Impairment	
As at April 1, 2021	26.35
Charge for the year	3.57
As at March 31, 2022	29.92
Charge for the year	3.57
As at March 31, 2023	33.49
Net Block	
As at March 31, 2023	176.33
As at March 31, 2022	179.90

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Information regarding income and expenditure of Investment property:

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Rental income derived from investment property	19.38	16.85
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(1.00)	(0.97)
Profit arising from investment properties before depreciation and indirect expenses	18.38	15.88
Less – Depreciation	(3.57)	(3.57)
Profit arising from investment properties before indirect expenses	14.81	12.31

The Group's investment properties consist of a commercial property in India. The management has determined that the investment property consist of one classes of asset – office space – based on the nature, characteristics and risks of the property. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

As at March 31, 2023 and March 31, 2022, 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 April 01, 2021	258.89
Fair value difference	-
Purchases	-
Closing balance as at March 31, 2022	258.89
Fair value difference	-
Purchases	-
Closing balance as at March 31, 2023	258.89

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Significant unobservable Inputs
Sales comparable method	Location Size of building Quality of building Visibility of unit Furnished/unfurnished

6.1 Intangible assets

Particulars	Software	Management Contracts	Brand	Total	Goodwill
As at April 01, 2021	975.27	1,900.00	100.00	2,975.27	9,508.46
Additions	19.94	-	-	19.94	-
As at March 31, 2022	995.21	1,900.00	100.00	2,995.21	9,508.46
Additions	67.29	-	-	67.29	-
As at March 31, 2023	1,062.50	1,900.00	100.00	3,062.50	9,508.46

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for the year ended March 31, 2023

Particulars	Software	Management Contracts	Brand	Total	Goodwill
Amortisation and impairment					
As at April 1, 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	721.18	784.27	20.00	1,525.45	0.02
Amortisation	95.34	795.99	10.00	901.33	0.00
As at March 31, 2023	816.52	1,580.26	30.00	2,426.78	0.03
Net Block					
As at March 31, 2023	245.98	319.74	70.00	635.72	9,508.43
As at March 31, 2022	274.03	1,115.73	80.00	1,469.76	9,508.44

Notes

a) The Intangible assets are valued at cost. The Group has not revalued these assets during the year. Also, refer note 45.

6.2 Intangible assets under development

Particulars	Sub Station*	Software**	Total
Balance as at April 01, 2021	-	-	-
Additions during the year	227.91	-	227.91
Balance as at March 31, 2022	227.91	-	227.91
Additions during the year	49.62	1,029.80	1,079.42
Balance as at March 31, 2023	277.53	1,029.80	1,307.33

* Intangible assets under development consists of cost incurred on development of enabling assets- 330KA substation which has been subsequently capitalised as on April 18, 2023

** Intangible assets under development consists of cost incurred by Company on development of software. Project is expected to be completed by FY 2024-25.

7. Right-of-use asset

Particulars	₹ In lakhs Amount
Gross Carrying Amount (I)	
At April 1, 2021	68,756.82
Additions	-
Disposals	5,395.04
At March 31, 2022	63,361.78
Additions	-
Disposals	-
At March 31, 2023	63,361.78
Accumulated Depreciation (II)	
At April 1, 2021	18,152.69
Charge for the year	2,819.63
Disposals	598.14
At March 31, 2022	20,374.18
Charge for the year	2,623.12
Disposals	-
At March 31, 2023	22,997.30
III. Net Carrying amount (I-II)	
At March 31, 2023	40,364.48
At March 31, 2022	42,987.60

Notes:

- a) The lease agreement for leasehold properties on which building is constructed is registered in the name of the Group.
b) Right-of-use assets are valued at cost. The Group has not revalued these assets during the year.

Notes to consolidated financial statements

for the year ended March 31, 2023

8 Financial assets

(i) Investments

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Unquoted equity shares of associate companies (at cost)		
340,000 (March 31, 2022: 340,000) equity shares of Mind Leaders Learning India Private Limited of Re.1 each fully paid.	453.34	366.46
Quoted investments at fair value through Profit & Loss		
Mutual funds		
5,584.704 (March 31, 2022: 5,584.704) Units of Reliance Low Duration Fund - Direct Growth Plan Growth option	99.70	94.29
Nil units (March 31, 2022: 12,053.579) 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, 2022: 6,046) equity shares of SEP Energy Private Limited of ₹10 each fully paid.	0.60	0.67
	553.64	961.86
Aggregate book value of quoted investments	99.70	594.73
Aggregate market value of quoted investments	99.70	594.73
Aggregate book value of unquoted investments	453.94	367.13
Current	99.70	594.73
Non-Current	453.94	367.13
	553.64	961.86

(ii) Loans

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Unsecured, considered good		
Loans to employees at amortised cost	30.00	41.21
	30.00	41.21

(iii) Other non-current financial assets

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Unsecured, considered good		
Security deposits at amortised cost	7,281.64	6,642.09
Interest accrued on deposits with banks*	308.72	467.60
Fixed deposits under lien*	982.43	938.36
	8,572.79	8,048.05
Less Provision for doubtful assets	(462.26)	(462.26)
	8,110.53	7,585.79

*Fixed deposits under lien and interest accrued on deposits with banks includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

Notes to consolidated financial statements

for the year ended March 31, 2023

9.1 Deferred tax liability (net)

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Property, plant and equipments and intangible assets	24,761.51	21,909.78
Revaluation of land	405.04	393.99
Deferred tax liability	25,166.55	22,303.77
Impact of expenditure charged to the statement of profit and loss in the current/earlier year but allowable for tax purposes on payment basis	267.75	223.05
Right to use asset/lease liability	4,988.27	2,867.28
Provision for doubtful debts and advances	69.92	82.29
Provision for bonus	23.86	10.78
Effect of unabsorbed depreciation and business loss	14,147.04	16,911.81
Provision for gratuity	95.86	78.78
Provision for leave compensation	62.88	57.25
Loyalty program	9.35	6.24
Provision for litigation	24.06	21.44
Provision for slow moving inventory	9.94	10.33
Interest on borrowing u/s 43B	1,462.26	1,660.13
Security deposits- impact of discounting	1,913.12	216.45
Provision for contingency	30.06	29.58
Loan to employee recorded at amortised cost	-	6.91
Borrowings	99.25	83.37
Provision for expected credit losses	43.14	43.14
Impact of DTL on split accounting done for preference shares	-	3.84
MAT credit entitlement receivable	5,208.87	4,398.19
Deferred tax asset (refer note 33(c))	28,455.63	26,710.86
Deferred tax (asset)/liability (net)	(3,289.08)	(4,407.09)
Deferred tax assets (net)	(3,647.31)	(4,607.62)
Deferred tax liability (net)	358.23	200.53

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the Year ended March 31, 2023 and March 31, 2022:

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Profit/(loss) before tax	17,823.82	(14,459.23)
Tax rate	29.12%	29.12%
Tax at statutory income tax rate	5,015.68	(3,974.52)
Effect of incomes taxable at nil/lower/MAT rate	14.57	78.14
Effect of non-deductible expenses	6.77	8.83
Income tax charge/ (credit) in respect of earlier year	47.82	54.28
Impact of change in tax rate	23.00	-
Unrecognised tax assets (net) and other adjustments	(1,306.29)	3,088.81
Other adjustments	(31.74)	21.40
Net tax expense as per statement of profit and loss	3,769.82	(723.06)

Notes to consolidated financial statements

for the year ended March 31, 2023

9.2 Non-current tax assets (net)

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Advance Income Tax (net of provision for taxation)	1,859.37	2,445.80
Total	1,859.37	2,445.80

10 Other non-current assets

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Unsecured, considered good		
Capital advances	1,079.56	288.70
Balance with statutory/ government authorities	335.53	165.75
Prepaid expenses	161.42	116.98
Total	1,576.51	571.43

11 Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Food and beverages (excluding liquor and wine)	184.07	141.44
Liquor and wine	156.32	124.92
Stores, cutlery, crockery, linen, provisions and others (valued at cost)	711.84	545.95
Total	1,052.23	812.31

Refer footnote to Note 19 for inventories pledged.

FINANCIAL ASSETS

12 Trade receivables

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Trade receivables#		
Unsecured, considered good	5,597.77	2,905.75
Trade Receivables which have significant increase in credit risk	1,694.94	1,686.92
Less: Provision for expected credit loss	(1,694.94)	(1,686.92)
Total Trade receivables	5,597.77	2,905.75
Trade receivables from non related party	5,597.77	2,905.75
Total	5,597.77	2,905.75

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.

Notes to consolidated financial statements

for the year ended March 31, 2023

*Trade receivable ageing schedule based on the requirement of Schedule III

As at March 31, 2023

Particulars	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	50.20	5,143.20	303.72	53.92	19.57	27.16	5,597.77
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	25.91	34.94	40.36	30.35	1,563.38	1,694.94
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	50.20	5,169.11	338.66	94.28	49.92	1,590.54	7,292.71
Less: Provision for expected credit loss	-	(25.91)	(34.94)	(40.36)	(30.35)	(1,563.38)	(1,694.94)
Net total	50.20	5,143.20	303.72	53.92	19.57	27.16	5,597.77

As at March 31, 2022

Particulars	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	-	2,361.15	516.22	24.20	4.18	-	2,905.75
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	16.64	51.18	96.33	1,522.77	-	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	-	-	-	-	-	-	-
Total	-	2,377.79	567.40	120.53	1,526.95	-	4,592.67
Less: Provision for expected credit loss	-	(16.64)	(51.18)	(96.33)	(1,522.77)	-	(1,686.92)
Net total	-	2,361.15	516.22	24.20	4.18	-	2,905.75

Notes to consolidated financial statements

for the year ended March 31, 2023

13 Cash and cash equivalents

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Balance with banks		
On current accounts	1,709.42	3,184.34
Deposits with original maturity of 3 months or less	578.78	2,170.20
Cash on hand	79.99	74.07
	2,368.19	5,428.61

Reconciliation of Movements of liabilities to cash flows arising from financing activities:

Particulars	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Balance as at beginning of the year-Borrowings and lease liabilities	2,12,796.57	2,15,946.17
Movement due to payments (received)/made	917.18	(2,959.42)
Movement due to non cash transactions in lease liabilities and borrowings		
-Accrual of finance cost	3,969.60	4,365.13
-Adjustment of pretermination of leases	-	4,555.31
Balance as at end of the year- Borrowings and lease liabilities	2,17,683.35	2,12,796.57

14 (i) Other bank balances

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Deposits with original maturity of more than 3 months and less than 12 months	379.68	-
	379.68	-

14 (ii) Other current-financial assets

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Security deposits	210.92	186.72
Interest accrued on fixed deposits	148.18	51.00
	359.10	237.72

Break up of current financial assets carried at amortised cost

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Trade receivables	5,597.77	2,905.75
Cash and cash equivalents	2,368.19	5,428.61
Security deposits	210.92	186.72
Other bank balances	379.68	-
	8,556.56	8,521.08

Notes to consolidated financial statements

for the year ended March 31, 2023

15 Other current assets

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Advances recoverable		
- Others, considered good	1,051.24	867.79
Unbilled revenue	29.34	135.73
Balance with statutory/ government authorities	1,652.65	1,361.18
Prepaid expenses	1,013.68	754.19
	3,746.91	3,118.89

16 Share capital

Authorised Share Capital

Equity shares of ₹ 10 each

	Equity shares		5% Redeemable Cumulative Preference shares	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
As at April 01, 2021	1,00,14,40,000	1,00,144.00	1,45,000	145.00
Increase/(decrease) during the year	-	-	-	-
As at March 31, 2022	1,00,14,40,000	1,00,144.00	1,45,000	145.00
Increase/(decrease) during the year	-	-	-	-
As at March 31, 2023	1,00,14,40,000	1,00,144.00	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 01, 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
Change in shares held by ESOP trust	7,93,850	79.38
As at March 31, 2023	79,16,07,223	79,160.71

*excluding 639,241 equity shares (March 31, 2022: 14,33,091 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
As at April 01, 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
As at March 31, 2022	79,22,46,464	79,224.64	14,33,091	143.31	79,08,13,373	79,081.33
Change in shares held by ESOP trust	-	-	(7,93,850)	(79.38)	7,93,850	79.38
As at March 31, 2023	79,22,46,464	79,224.64	6,39,241	63.93	79,16,07,223	79,160.71

Notes to consolidated financial statements

for the year ended March 31, 2023

(b) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held*	No. of shares	% held*
Equity shares of ₹ 10 each fully paid up				
Spank Management Services Private Limited	17,69,44,863	22.33%	17,94,44,863	22.65%
APG Strategic Real Estate Pool N.V.	11,87,30,914	14.99%	11,87,30,914	14.99%
SBI Large and Midcap Fund	6,00,93,359	7.59%	6,62,00,000	8.36%
WF Asian Reconnaissance Fund Limited	-	0.00%	5,53,83,349	6.99%

* calculated on number of shares capital (including ESOP trust)

(c) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 37

(d) Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	March 31, 2023	March 31, 2022
	No. of shares	No. of shares
(i) Equity shares allotted as fully paid bonus shares by capitalisation of securities premium and capital redemption reserve	-	-

(ii) In addition, the Company has issued total 58,33,781 shares (March 31, 2022 : 81,52,151) 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, 2023

S.No.	Promoter Name	Category	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	Percentage of Total shares	Percentage change during the year
1	Mr. Patanjali Govind Keswani	Promoter	3,41,564	-	3,41,564	0.04%	-
2	Spank Management Services Private Limited	Promoter	17,94,44,863	(25,00,000)	17,69,44,863	22.33%	-0.32%
3	Toucan Real Estates Private Limited	Promoter Group	3,50,000	-	3,50,000	0.04%	-
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Ms. Lillette Dubey	Promoter Group	3,74,908	(1,75,000)	1,99,908	0.03%	-0.02%
6	Ms. Ila Dubey	Promoter Group	24,44,292	-	24,44,292	0.31%	-
Total			18,97,38,907	(26,75,000)	18,70,63,907	23.61%	

Notes to consolidated financial statements

for the year ended March 31, 2023

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	Mr. 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	Ms. Lillette Dubey	Promoter Group	3,74,908	-	3,74,908	0.05%	-
6	Ms. 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%	

17 Other equity

Particulars	₹ In lakhs
Securities Premium	
As at April 1, 2021	10,406.82
Change in shares held by ESOP trust	45.07
As at March 31, 2022	10,451.89
Change in shares held by ESOP trust	91.29
As at March 31, 2023	10,543.18
Surplus in the Statement of Profit and Loss	
As at April 1, 2021	(29,519.26)
Loss for the year	(8,760.19)
As at March 31, 2022	(38,279.45)
Profit for the year	11,456.36
As at March 31, 2023	(26,823.09)
Other comprehensive income	
As at April 1, 2021	(18.22)
Decrease during the year	42.97
As at March 31, 2022	24.75
Increase during the year	14.10
As at March 31, 2023	38.85
Capital Reserve	
As at April 1, 2021	28,766.12
Add: Gain on disposal of subsidiary	-
As at March 31, 2022	28,766.12
Add: Gain on disposal of subsidiary (refer note 44)	(9,393.24)
As at March 31, 2023	19,372.88
General Reserve	
As at April 1, 2021	3,035.24
Increase/(decrease) during the year	-
As at March 31, 2022	3,035.24
Increase/(decrease) during the year	-
As at March 31, 2023	3,035.24

Notes to consolidated financial statements

for the year ended March 31, 2023

Particulars	₹ In lakhs	
Capital redemption reserve		
As at April 1, 2021		45.00
Increase/(decrease) during the year		-
As at March 31, 2022		45.00
Increase/(decrease) during the year		-
As at March 31, 2023		45.00
	As at	As at
	March 31, 2023	March 31, 2022
	(₹ in lakhs)	(₹ in lakhs)
Other reserves		
Securities Premium	10,543.18	10,451.89
Surplus in the Statement of Profit and Loss	(26,823.09)	(38,279.45)
Other comprehensive income	38.85	24.75
Capital Reserve	19,372.88	28,766.12
General Reserve	3,035.24	3,035.24
Capital redemption reserve	45.00	45.00
	6,212.06	4,043.55

Notes:

Securities premium: Securities premium comprises premium received on issue of shares

Surplus in the Statement of Profit and Loss: Surplus in the Statement of Profit and Loss represents balances of profit and loss at each period/year end.

Other comprehensive income: Other comprehensive income represents accumulated balances of Remeasurement (losses)/gains on defined benefit plans.

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.

Notes to consolidated financial statements

for the year ended March 31, 2023

18 Non-controlling interest

	As at March 31, 2023 (₹ in lakhs)
As at April 1, 2021	61,738.99
Total comprehensive loss for the year	(4,975.98)
As at March 31, 2022	56,763.00
Total comprehensive income for the year	2,600.37
Movement during the year	(3,393.92)
As at March 31, 2023	55,969.45

19 Borrowings

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Non-current borrowings		
Term Loans		
Loans from Banks (Secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 to 5 and 9 to 11 below)	8,113.29	13,283.57
Indusind Bank Limited (Refer footnote 23 to 26 below)	10,299.77	8,300.60
Yes Bank Limited (Refer footnote 12 to 22 below)	40,030.63	41,640.16
HDFC Bank Limited (Refer footnote 6 to 8 and 41 to 51 below)	34,508.47	36,298.56
Vehicle loans (Refer footnote 52 below)	250.11	300.96
Axis Bank Limited (Refer footnote 27 to 34 below)	35,319.74	38,528.54
Aditya Birla Finance Limited (Refer footnote 35 to 40 below)	23,220.63	16,996.38
Total non-current borrowings	1,51,742.64	1,55,348.77
Current borrowings		
Term Loans		
Current maturity of long-term loans from banks (secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 to 5 and 9 to 11 below)	732.41	1,104.83
Indusind Bank Limited (Refer footnote 23 to 26 below)	648.33	540.83
Yes Bank Limited (Refer footnote 12 to 22 below)	4,171.50	3,241.85
HDFC Bank Limited (Refer footnote 6 to 8 and 41 to 51 below)	7,870.67	4,880.18
Vehicle loans (Refer footnote 52 below)	177.07	182.15
Axis Bank Limited (Refer footnote 27 to 34 below)	3,218.71	1,020.16
Current maturity of loans from financial institutions		
Aditya Birla Finance Limited (Refer footnote 35 to 40 below)	260.00	-
Total current maturity of loans	17,078.69	10,970.00
Less: Amount clubbed under "Short term borrowings" (Refer 22(i))	(17,078.69)	(10,970.00)
Net current borrowings	-	-

Notes to consolidated financial statements

for the year ended March 31, 2023

Footnotes to Note 19 "Borrowings"

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Kotak Mahindra Bank Limited	809.00	-	8.00%	Loan shall be repaid by way of 48 monthly instalments after moratorium period of 12 months from the date of first disbursement.	The loan has been prepaid and below charge has been satisfied: Extension of second charge on all the existing and future current assets / movable fixed assets of the Company and second charge by way of equitable mortgage on Immoveable property situated at All that piece and parcel of Immoveable property being land with commercial(hotel) building bearing plot Nos.54/B and 55/A (part), present panchayat katha No.1960/54/B 55/A, formed in Survey nos. 64 & 66, Electronics City, Dodda Thogur Village, Begur Hobli, Bangalore, Karnataka together with all building Structures, installations, fitment, plants and machinery.
2	Kotak Mahindra Bank Limited	809.00	9.05%	7.45%	Loan shall be repaid in 72 Months (including the 24 Months moratorium period)	The loan is secured by the following charge: Extension of second charge on all the existing and future current assets / movable fixed assets of the Company and second charge by way of equitable mortgage on Immoveable property situated at All that piece and parcel of Immoveable property being land with commercial(hotel) building bearing plot Nos.54/B and 55/A (part), present panchayat katha No.1960/54/B 55/A, formed in Survey nos. 64 & 66, Electronics City, Dodda Thogur Village, Begur Hobli, Bangalore, Karnataka together with all building Structures, installations, fitment, plants and machinery.
3	Kotak Mahindra Bank Limited	3,730.00	-	7.80%	Loan shall be repaid by way of 120 equal monthly instalments starting from month following the month of first disbursement of loan.	The loan has been prepaid and below charge has been satisfied: - First and exclusive charge on all existing and future current assets and moveable fixed assets of the company - First and exclusive equitable charge on immovable 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.
4	Kotak Mahindra Bank Limited	2,300.00	-	7.70%		
5	Kotak Mahindra Bank Limited	6,206.00	9.25%	7.70%	The loan is repayable in 48 quarterly instalments starting from 39th month following the month of first disbursement.	The loan is secured by: - First and exclusive charge on all existing and future current assets, movable and immovable fixed assets of the hotel - Red Fox Sector - 60, Gurgaon. - Subservient charge on all existing and future current assets of the Borrower except current assets of the hotel - Red Fox Sector - 60, Gurgaon on which bank has to the exclusive charge - Equitable Mortgage by way of exclusive charge on the land and building of Red Fox Hotel Sector-60, Gurgaon. - Minimum asset cover 1.2x to be maintained throughout the tenor of bank loan as per valuation accepted by bank.

Notes to consolidated financial statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
6	HDFC Bank Limited	2,709.00	8.25%	-	Principal is repayment in 36 equal instalments on last day of the month after 12 month of first availment.	Loan is secured by: 1) Stocks and book debts - Exclusive charge on all stock and receivables (both present and future) w.r.t. 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 2) Movable - Fixed assets - Exclusive charge on all existing and future Movable fixed assets of the Celsia Hotels Private Limited w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 3) Immoveable Fixed assets - Exclusive charge on Immoveable land and building w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 4) Corporate guarantee of M/S Fleur Hotels Pvt Ltd.
7	HDFC Bank Limited	809.00	8.25%	-	Loan is repayable in 48 monthly instalments after moratorium of 1 year.	The Loan is secured by: 1) Government - Federal Government Guarantee 2) Stocks and book debts - Second charge on all stock and receivables (both present and future) w.r.t. property 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 3) Movable Fixed assets -Second charge on all existing and future Movable fixed assets of the Celsia Hotels Private Limited w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower. 4) Immoveable Fixed assets - Second charge on Immoveable land and building w.r.t 54B/55A, Hosur Main Road, Electronic City, Phase 1, Bangalore, Karnataka belonging to the Borrower.
8	HDFC Bank Limited	3,500.00	8.15%	-	The loan is repayable in 48 monthly instalments starting from after 24 month of moratorium.	It is secured by second charge over existing primary and collateral securities including mortgages created in favour of the bank at Lemon Tree Hotel Gachibowli, Hyderabad.
9	Kotak Mahindra Bank Limited	2,400.00	8.45%	7.35%	The loan is repayable in 48 monthly instalments 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, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
10	Kotak Mahindra Bank Limited	810.00	-	7.85%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 12 months.	The loan has been prepaid and charge has been satisfied during the year. 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 immovable 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.	It is secured by: a) Exclusive charge on all immovable fixed assets, moveable fixed assets and current assets of Lemon Tree Sector 60 Gurgaon, and covention centre within Hotel premises of 20,000 sq.ft (approx.). b) Escrow of all receivables of the project including security deposits. c) Corporate guarantee of Lemon Tree Hotels Limited. d) DSRA equivalent to three months interest and one quarter principal to be created in case of any over dues beyond 30 days in the form of fixed deposits duly lien marked in favour of YBL. *Minimum security cover of 1.5x on immovable and moveable fixed assets of the project.
12	Yes Bank Limited	4,500.00	9.48%	8.15%	The loan is repayable in 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 immovable fixed assets, moveable fixed assets and current assets of Lemon tree Sector 60 Gurgaon, and covention centre within Hotel premises of 20,000 sq.ft (approx.). b) Escrow of all receivables of the project including security deposits. c) Corporate guarantee of Lemon Tree Hotels Limited. d) DSRA equivalent to three months interest and one quarter principal to be created in case of any over dues beyond 30 days in the form of fixed deposits duly lien marked in favour of YBL. *Minimum security cover of 1.5x on immovable and moveable fixed assets of the project.

Notes to consolidated financial statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
13	Yes Bank Limited	2,500.00	9.35%	8.15%	The loan is repayable in 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 immovable 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 immovable and moveable fixed assets of the project.
14	Yes Bank Limited	960.00	9.25%	8.82%	The loan is repayable in 36/48 monthly installment after a moratorium period of 12/24 months from the date of first disbursement.	Loan is secured by: 1) Second Charge on all movable fixed assets and current assets (both present and future) (including Escrow Account opened with YBL) of the Borrower; 2) Escrow of all receivables of the Hotel including security deposits to remain valid during the tenor of YBL Loan facilities sanctioned to the Borrower. 3) Second and subsequent Charge on all immovable assets of the Project (present and future). Hotel: 94 key Red Fox Hotel including the 1,800 sq. mtrs. land and hotel building located in Kondli New Delhi.
15	Yes Bank Limited	20,500.00	9.48%	8.10%	The loan is repayable in 52 structured quarterly 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 & immovable fixed assets of the project. Lemon Tree Premier Hotel, Kolkata, Lemon Tree Premier Hotel in Pune, Lemon Tree Hotel in sector 60 Gurgaon and approximately 20,000 sqft convention centre within the hotel premises. b) Escrow of all receivables of the hotels including security deposits (if any). c) Corporate guarantee of Lemon Tree Hotels Limited. d) DSRA equivalent to 3 months interest and 1 quarter principle to be created in case of any over dues beyond 30 days in the form of fixed deposits duly lien marked in favour of YBL.

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for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
16	Yes Bank Limited	20,500.00	9.48%	8.10%	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 & immovable fixed assets of the project, Lemon Tree Premier Hotel, Kolkata, Lemon Tree Premier Hotel in Pune, Lemon Tree Hotel in sector 60 Gurgaon and approximately 20,000 sqft convention centre within the hotel premises. b) Escrow of all receivables of the hotels including security deposits (if any). c) Corporate guarantee of Lemon Tree Hotels Limited. d) DSRA equivalent to 3 months interest and 1 quarter principle to be created in case of any over dues beyond 30 days in the form of fixed deposits duly lien marked in favour of YBL.
17	Yes Bank Limited	12,500.00	9.48%	8.15%	The loan is repayable 60 structured quarterly installment after 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 their 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.
18	Yes Bank Limited	2,120.00	9.25%	8.58%	The principal shall be repaid in 48 instalments after completion of moratorium of 1 year	Loan is secured by: a) Second charge on (entire project land along with structures built thereon and charge on moveable fixed assets and current assets of Cochin hotel project (for Term loan-1) the owned/ freehold hotel properties and over the buildings and structures in respect of leasehold land for the operational hotels (excluding Vizag and Cochin), b) Second charge by way of hypothecation of all the current assets and moveable fixed assets (both present & future) of Berggruen Hotels Private Limited (excluding Vizag), c) Second charge on the current assets (security pertains to overdraft facility) (Present & future) of the Company (excluding project assets of Vizag hotel) to secure working capital facility
19	Yes Bank Limited	2,120.00	9.25%	-	The principal shall be repaid in 48 equal monthly instalments after a moratorium period of 2 years.	

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Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
20	Yes Bank Limited	2,387.00			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 facility) (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 Irrevocable Corporate Guarantee of Fleur Hotels Private Limited (FHPL).
21	Yes Bank Limited	6,107.00	9.35%	9.14%		
22	Yes Bank Limited	1,182.00				
23	Indusind Bank Limited	3,481.00	8.25%	8.19%	The loan is repayable 48 structured quarterly instalment	It is secured by: a) First charge on all moveable fixed assets (both present and future) and current assets (both present and future) including Escrow account of the borrower. b) First charge on all present and future immovable 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 moveable fixed assets of the project.
24	Indusind Bank Limited	1,310.00	9.25%	8.00%	Principal is repayment in 36/48 equal installments on last day of the month after the 12th/24th month of first avallment.	It is secured by second charge with existing credit facilities on security as under: a) Hypothecation of entire current assets, existing & future, comprising, inter alia, of stock of raw material, work in progress, finished goods, receivable, book debts and other current assets & Machinery. b) Charge on the entire moveable and immovable fixed assets of the company (present and future) w.r.t Lemon Tree Hotel, Whitefield, Bangalore.

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for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
25	Indusind Bank Limited	5,000.00	8.25%	8.23%	Tenor of 16 years with door tenor facility shall not exceed 193 months from the date of first disbursement, including moratorium period of nil months.	It is secured by: a) First charge on all present and future immoveable assets of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)". b) First charge on all moveable fixed assets (both present and future) (including Escrow account opened with IBL) of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)", c) Exclusive charge on book debts, operating cash flows, credit card receivables, commissions, revenues of whatsoever nature and wherever arising, present and future through Escrow mechanism of the Hotel "Lemon Tree Amarante Beach Resort (At Candolim, Goa). d) Escrow of all cash flows of Lemon Tree Amarante Beach Resort, Goa including security deposits.
26	Indusind Bank Limited	1,990.00	9.25%	-	It is repayable in 48 equal monthly instalments on the last day of the month after the 24 month of first availment.	It is Secured By: a) Second Charge on all present and future immoveable assets of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa)". b) Second charge on all moveable fixed assets (both present and future) (including Escrow account opened with IBL) of the hotel " Lemon Tree Amarante Beach Resort (At Candolim, Goa) c) Second charge on book debts, operating cash flows, credit card receivables, commissions, revenues of whatsoever nature and wherever arising, present and future through Escrow mechanism of the Hotel "Lemon Tree Amarante Beach Resort (At Candolim, Goa). d) Exclusive charge by way of Equitable Mortgage over the land & building at Plot No.1, Khasra No. 979 to 981, Kalarohi, Udaipur, (admeasuring 26390.3 sq. yards or 237513 sq. ft.), e) Exclusive charge over the moveable fixed assets of the Udaipur Hotel, both present and future, f) Exclusive charge by way of hypothecation of all the current assets of Udaipur Hotel, g) Exclusive charge by way of hypothecation of all the cashflows of Udaipur Hotel. h) Corporate Guarantee of Lemon Tree Hotels. i) FACR of 1.50x shall be maintained at all times.
27	Axis Bank Limited	10,000.00	8.80%	7.85%	Tenor of 18 years and 9 months including construction period of 1.5 years and moratorium period of 2.5 years with repayments in with 60 quarterly unequal installments.	It is secured by: a) Exclusive charge by way of Equitable Mortgage over the land & building at Plot No.1, Khasra No. 979 to 981, Kalarohi, Udaipur, (admeasuring 26390.3 sq. yards or 237513 sq. ft.), b) Exclusive charge over the moveable fixed assets of the Udaipur Hotel, both present and future, c) Exclusive charge by way of hypothecation of all the current assets of Udaipur Hotel, d) Exclusive charge by way of hypothecation of all the cashflows of Udaipur Hotel. e) Corporate Guarantee of Lemon Tree Hotels. f) FACR of 1.50x shall be maintained at all times.

Notes to consolidated financial statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
28	Axis Bank Limited	16,248.00	8.85%	7.75%	Term Loan I & II Loan is repayable in 40 quarterly installments 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 Rs.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 2023.

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for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
29	Axis Bank Limited	4,928.00	8.85%	7.35%	WCTL is repayable in 48 equal monthly instalments. Tenor of loan is 5/6 years from the date of disbursement including 1/2 year of moratorium.	<p>It is secured by:-</p> <p>a) 100% Credit Guarantee by NCGTC.</p> <p>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).</p> <p>c) Second charge/ assignment of all the revenues of the borrower from the hotel or otherwise.</p> <p>d) Second charge on all the HHPLs bank accounts including without limitation, the ESCROW account and each of the other account(s) required to be maintained/ created by the borrower under any project document or contract.</p> <p>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.</p> <p>f) Extension of Right of Substitution provided by DIAL for the assets area 6 i.e. the area where the hotel is operational.</p> <p>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.</p> <p>h) All cashflows to be done through ESCROW Account.</p>
30	Axis Bank Limited	4,770.00	8.95%	7.35%	The loan is repayable in 48 monthly instalments after a period of 2 years of Moratorium.	<p>It is secured by second charge:-</p> <p>a) EM over land & building situated at Plot no.1, Khasra 979 to 981, Kalarohi, Sisrama, Udaipur (measuring 26,390.3sq).</p> <p>b) Other moveable fixed assets of the Udaipur Hotels both present and future.</p> <p>c) Hypothecation of all the current assets of Udaipur Hotel.</p> <p>d) Hypothecation of all the cashflows of Udaipur Hotel.</p> <p>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.</p> <p>f) Other moveable fixed assets of the Kurla project, both present and future.</p> <p>g) Hypothecation of all the current assets of the Kurla Project.</p> <p>h) 100% credit guarantee by NCGTC.</p>

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for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
31	Axis Bank Limited	9,500.00	8.80%	8.10%	The Loan is repayable in 60 quarterly instalments after a moratorium period of 5 years.	<p>It is secured by:</p> <p>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.</p> <p>b) First charge (on pari passu basis) on their moveable fixed assets and all current assets, both present and future of the project, Lemon Tree Premier Hotel, Andheri Mumbai.</p> <p>c) Corporate guarantee of Lemon Tree Hotels Limited.</p>
32	Axis Bank Limited	1,770.00	9.35%	8.25%	The Loan is repayable in 19 quarterly instalments.	<p>It is secured by:</p> <p>a) Exclusive charge over moveable 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).</p> <p>b) Exclusive charge by way of hypothecation of all the project's movables including moveable plant & machinery, machinery spares, tools and accessories.</p> <p>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.</p> <p>d) Exclusive charge by way of assignment or creation of charge in favour of the lender of</p> <p>- All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party;</p> <p>- All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances;</p> <p>- 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</p> <p>- All insurance contracts/insurance proceeds;</p> <p>e) All Cash Flow routing to be done through Escrow Account maintained with bank.</p> <p>f) Right of substitution and other rights under the Substitution Agreement, on pari passu basis with other lenders.</p>

Notes to consolidated financial statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
33	Axis Bank Limited	648.00	8.45%	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 specified current assets for securing working capital facilities and subject to prior approval of the bank. d) Second charge by way of assignment or creation of charge in favour of lenders: - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; e) Right to substitution and other rights under substitution agreement, on pari-passu basis with other lenders. f) All cashflows routing shall continue to be done through TRA Account. g) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited.
34	Axis Bank Limited	326.00	8.10%	7.35%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	

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Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
35	Aditya Birla Finance Limited	11,500.00			Tenor of 12 years with repayment in 48 structured quarterly installments. Repayment of term loan 1 in line with existing lender repayment schedule. The facility have lock-in tenor of 1 year from the date of first disbursement.	It is secured by: a) First exclusive charge by way of Mortgage/ Hypothecation on the immovable and movable fixed assets (both present and future) of Lemon Tree Premier Hotel Hitec City, Hyderabad, to provide minimum cover of 1.25x at all times during the tenor of the loan, b) First exclusive charge on the current assets of the Lemon Tree Premier Hotel, Hitec City Hyderabad, c) First exclusive charge on project's bank account including but not limited to Escrow account where entire cash flow of Lemon Tree Premier Hotel, Hitec City, Hyderabad shall be deposited, d) Unconditional and Irrevocable Corporate Guarantee of Lemon Tree Hotels Limited, e) Demand Promissory Note (DPN),
36	Aditya Birla Finance Limited	4,000.00	9.90%	8.50%		It is secured by: 1) Second Charge on all moveable and current assets of the Company in connection with its Red Fox Hotel Hyderabad, both present and future. 2) Second Charge Immoveable Property Red Fox Hotel Hyderabad of the Company.
37	Aditya Birla Finance Limited	884.00	9.90%	8.80%	The loan is repayable in 48 equal monthly installments after moratorium of 12 months from the date of 1st disbursement.	It is secured by: a) First exclusive charge on the Immoveable 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
38	Aditya Birla Finance Limited	4,500.00	9.90%	8.80%	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 Immoveable 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, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
39	Aditya Birla Finance Limited	6,500.00	10.00%	-	31 structured quarterly (except for last installment) installments from the date of first disbursement.	<p>It is secured by:</p> <ol style="list-style-type: none"> First exclusive charge on Immovable Fixed Assets (both present and future) of the 'Property' to provide a minimum Fixed Asset Coverage Ratio (FACR) of 1.25x (Market value of Land, Building and all appurtenances therein) at all times during the tenor of the Facility. First & exclusive charge on Current and Movable Fixed Assets (both present and future) of the Property. First & exclusive charge on Escrow Account for routing of entire cash flow pertaining to the Property. Second Pari passu charge on all the Current Assets, Cashflows of the Company (excluding Current Assets, Cashflows pertaining to the Property and Red Fox Hotel, Hyderabad where Aditya Birla has first and exclusive charge), both present and future.
40	Aditya Birla Finance Limited	2,350.00	9.90%	8.80%	The Loan is repayable in 44 Structured Quarterly Installments payable after moratorium period of 12 months from the date of first disbursement.	<p>It is secured by:</p> <ol style="list-style-type: none"> 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, First exclusive charge on all the movable fixed assets (both current and future) of the Lemon Tree Hotel EDM, First exclusive charge on the escrow account of entire cash flow of Lemon Tree Hotel EDM, Unconditional & irrevocable Guarantee by Lemon Tree Hotels Limited, DPN

Notes to consolidated financial statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
41	HDFC Bank Limited	4,200.00	8.90%	8.10%	Repayable in 48 monthly installments after moratorium of 12 months	<p>Second Charge by way of Hypothecation on the following:</p> <ol style="list-style-type: none"> All the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and any other goods, All the book debts, amounts outstanding, monies receivable, claims and bills which are now due and owing or which may at any time hereafter during. All the plant and machinery both present and future consisting of all The whole of the Security Provider's moveable properties, including its moveable plant and machinery, machinery spares, tools and accessories furniture, <p>Created with charge as below: It is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of bank. Properties:- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore</p>
42	HDFC Bank Limited	2,100.00	8.55%	8.10%	The loan is repayable in 39 step-up quarterly installments.	<p>It is secured by:</p> <ol style="list-style-type: none"> 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. A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts, operating cash flows, receivables, commissions, banks accounts (whenever held) if any-present & future all revenues 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, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
43	HDFC Bank Limited	10,000.00	8.55%/8.90%	8.10%	The loan is repayable in 44 consecutive quarterly installments after a moratorium of 1 year.	It is secured by : a) First pari passu charge by way of mortgage on Select properties. The borrower shall ensure asset cover ratio should not be less than 1.50x (based on market value of security) at all times. b) First pari passu charge by way of hypothecation in favor of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of Select Properties. Properties:- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad - Hotel Lemon Tree, Chennai - Lemon Tree Premier, Bangalore
44	HDFC Bank Limited	11,100.00	8.90%	7.70%	The loan shall be repaid in 27 consecutive quarterly installments as per the schedule mentioned in sanction letter.	It is secured by : a) First exclusive charge by way of equitable mortgage on select properties. b) First exclusive charge by way of hypothecation in favour of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of below mentioned properties: Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Lemon Tree Premier, Bangalore.

Notes to consolidated financial statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
45	HDFC Bank Limited	4,192.60	8.55%	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 collateral securities including mortgages created in favour of the bank and security created over the asset of the borrower purchased out of this facility. Properties :- - Hotel Lemon Tree, Udyog Vihar - Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad - Hotel Lemon Tree, Chennai - Hotel Lemon Tree, Chandigarh - Lemon Tree Premier, Bangalore
46	HDFC Bank Limited	1,300.20	8.77%	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 w.r.t (Red Fox Hotel situated at Khasra No.102/103/433, Village Jhalana , J.L.N. Marg , Jaipur) l. 100% Credit Guarantee from National Credit Guarantee Trustee Company Limited.
47	HDFC Bank Limited	4,300.00	8.35%	8.05%	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 Corporate Guarantee of Lemon Tree Hotels Limited. - Pledge of shares of SCPL held by Lemon Tree Hotels Limited.
48	HDFC Bank Limited	1,000.00	8.90%	7.50%	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	8.90%	7.30%	The principal shall be repaid in 48 monthly instalments after completion of moratorium of 2 year.	

Notes to consolidated financial statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/ Principal terms and conditions
50	HDFC Bank Limited	5,302.00	8.20%	7.90%	The Loan is repayable in 48 Structured Quarterly Instalments	It is secured by: a) First and exclusive charge on movable and immovable fixed assets at the Lemon Tree Hotel Gachibowli, Hyderabad. b) First and exclusive charge on escrow account of entire cash flows of the Lemon Tree Hotel Gachibowli, Hyderabad. c) Corporate guarantee of Lemon Tree Hotels Limited.
51	HDFC Bank Limited	5,200.00	8.60%	7.25%	The principal shall be repaid in 48 monthly instalments after completion of moratorium of 24 months.	It is secured by: a) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited. b) Extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the bank and security created over the assets of the borrower purchased out of this facility at Lemon Tree Premier, Hitech City, Hyderabad
52	Vehicle loan (different banks)	-			These loans are repaid on agreed monthly instalments.	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 all significant covenants from bank and financial institutions as per the terms of the loan agreement.
- (iv) The Group has used borrowings from banks/financial institutions for the specific purpose of working capital requirement and/or setting new projects.

Notes to consolidated financial statements

for the year ended March 31, 2023

20 Lease liability

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Balance at beginning of the year	42,931.62	47,419.56
Deletion during the year	-	4,555.31
Interest accrued during the year (refer note 29)*	3,969.60	4,365.13
Payment of lease liabilities	3,790.78	4,297.77
Balance at end of the year	43,110.44	42,931.62
Current	583.52	458.13
Non-Current	42,526.92	42,473.49

*During the year the Group has capitalised ₹ 538.54 lakhs (March 31, 2022: ₹ 515.66 lakhs).

21 Provisions

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Provision for gratuity (Refer note 35)	309.99	314.17
Current	60.03	52.50
Non-current	249.96	261.67
Provision for leave benefits	211.43	220.05
Current	211.43	220.05
Non-current	-	-
Provision for litigations (Refer note 36)	202.07	179.96
Current	202.07	179.96
Non-current	-	-
Provision for stamp duty (Refer note 50)	86.36	1,525.03
Current	86.36	1,525.03
Non-current	-	-
Total current	559.89	1,977.54
Total non-current	249.96	261.67

22 Financial liabilities

(i) Short term borrowings

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Cash credit from banks (Secured)*	5,751.57	3,546.17
Current maturities of long-term borrowings (Refer Note 19)	17,078.69	10,970.01
	22,830.26	14,516.18

*Basis on several terms and conditions as specified in sanction letters, the Group submits quarterly returns/statements, cash flow mismatch statements and unaudited quarterly statements with banks/ financial institution and these returns/statements are materially in agreement with the books of accounts.

- A The Cash credit facility and working capital loan from HDFC Bank Limited is repayable on demand and carries interest rate of 9.20% p.a. (March 31, 2022: 7.45% p.a.) and is secured by way of:
- First exclusive charge by way of mortgage on select properties.
 - 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.

Notes to consolidated financial statements

for the year ended March 31, 2023

B The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 9.48% p.a. (March 31, 2022: 8.15% to 9.15% p.a.) and is secured by way of:

- Exclusive charge on all movable assets and current assets of Lemon Tree Hotel Kolkata and Lemon Tree Premier Pune and
- 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
- First charge on all present & future movable fixed assets and current assets of the Lemon Tree Premier Andheri kurla Road, Mumbai
- Corporate Gaurantee of Lemon Tree Hotels Limited

C The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 9.35% p.a. (Mach 31, 2022: 9.14% p.a.) and is secured by way of:

- First Charge on the current assets (Present & Future) of Berggruen Hotels Private Limited (excluding project assets of Vizag Hotel) to secure the working capital facility.

D The Cash credit facility and working capital loan from HDFC Bank Limited is repayable on demand and carries interest rate of 8.75% p.a. (March 31, 2022: 8.60% p.a.) and is secured by way of:

- Exclusive charge on entire movable assets of Carnation Hotels Private Limited (Current as well as future assets).
- Corporate Gaurantee of Lemon Tree Hotels Limited.

(ii) Trade payables

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Trade Payables*		
-Micro and small enterprises	1,417.41	627.81
-Other than Micro and small enterprises	5,262.30	5,223.31
	6,679.71	5,851.12

*Trade payables ageing schedule based on the requirement of Schedule III

As at March 31, 2023

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	
		₹ in lakhs				
Total outstanding dues of micro enterprises and small enterprises	-	1,417.41	-	-	-	1,417.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,156.95	1,776.14	73.16	60.42	195.63	5,262.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

Notes to consolidated financial statements

for the year ended March 31, 2023

As at March 31, 2022

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	
		₹ in lakhs				
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	-	-	-	-	-	-

(iii) Other current financial liabilities

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Interest accrued but not due on borrowings	32.29	45.91
Sewage treatment plant (STP) liability	235.00	235.00
Export promotion capital goods (EPCG) liability	-	168.06
Book overdraft	14.00	74.07
Other payables		
-Payable for capital goods	2,930.61	49.63
-Sundry deposits	46.44	46.44
	3,258.34	619.11

23 Other current liabilities

	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)
Advance from customers	966.37	708.24
Deferred revenue- loyalty programme	32.11	21.44
Statutory dues (Provident fund, GST, TDS and other statutory dues)	2,101.77	1,179.24
	3,100.25	1,908.92

24 Revenue From Operations

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Revenue from operations		
Sale of products and services		
- Room rental	67,709.05	30,233.07
- Food and beverage (excluding liquor and wine)	9,896.16	5,148.68
- Liquor and wine	1,076.90	458.49
- Banquet rentals	467.40	201.09
- Telephone and telex	6.40	3.57
- Other Services (including service charge income)	4,762.06	2,420.92
Other Operating Revenue		
- Management fee	3,580.66	1,758.12
- Commission income	0.32	0.07
Revenue from operations	87,498.95	40,224.01

Notes to consolidated financial statements

for the year ended March 31, 2023

25 Other income

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Waiver of rent	-	576.60
Gain on Termination of Lease	-	323.67
Profit on sale of fixed assets	18.51	-
Rent received	66.12	42.21
Excess provision/ credit balances written back	137.60	368.89
Government Incentive Scheme-RIPS 2014 (refer note 51)	86.61	-
Miscellaneous income	48.81	91.62
	357.65	1,402.99

26 Cost of food and beverages consumed

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
(a) Consumption of food and beverages excluding liquor and wine		
Inventory at the beginning of the year	141.44	120.96
Add: Purchases	4,724.58	2,667.31
	4,866.02	2,788.27
Less: Inventory at the end of the year	184.07	141.41
Cost of food and beverage consumed	4,681.95	2,646.86
(b) Consumption of liquor and wine		
Inventory at the beginning of the year	127.52	130.31
Add: Purchases	337.21	133.11
	464.73	263.42
Less: Inventory at the end of the year	156.32	124.92
Cost of liquor and wine consumed	308.41	138.51
	4,990.36	2,785.37

27 Employee benefit expense

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Salaries, wages and bonus	13,076.52	8,625.57
Contribution to provident fund and other funds	787.26	562.92
Gratuity expense	72.47	75.59
Staff welfare expenses	1,037.09	467.56
Total	14,973.34	9,731.64

28 (a) Power and fuel

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Power and fuel	6,871.26	4,375.38
	6,871.26	4,375.38

Notes to consolidated financial statements

for the year ended March 31, 2023

28 (b) Stamp duty expenses

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Stamp duty expenses	478.42	1,525.03
	478.42	1,525.03

28 (c) Other expenses

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Consumption of stores, cutlery, crockery, linen, provisions and others	1,552.71	853.99
Lease rent	556.65	437.85
Linen & uniform washing and laundry expenses	556.39	382.79
Guest transportation	505.12	151.60
Spa expenses	225.56	50.44
Subscription charges	160.36	119.56
Repair and maintenance		
- Buildings	1,048.54	359.10
- Plant and machinery	1,407.18	962.69
- Others	681.20	465.05
Rates and taxes	1,699.63	1,677.88
Insurance	290.00	236.01
Communication costs	444.90	331.55
Printing and stationery	208.43	124.28
Traveling and conveyance	171.76	56.23
Vehicle running and maintenance	161.37	131.92
Advertisement and business promotion	156.47	94.27
Commission - other than sole selling agent	3,203.41	1,744.31
Security and cleaning expenses	905.09	506.11
Membership and subscriptions	34.51	29.19
Legal and professional fees	977.89	721.73
Advances written off	0.48	40.45
Freight and cartage	4.94	3.13
Corporate social responsibility*	7.15	43.79
Loss on sale of property, plant and equipment (net)	-	18.92
Provision for doubtful debts	6.74	88.30
Payment to auditor (Refer note below)	136.02	123.06
Donation	0.78	-
Miscellaneous expenses	325.60	186.14
	15,428.88	9,940.34
Payment to auditor (excluding Goods and service tax)		
Audit fee and limited review	118.25	116.75
Tax audit fee	3.25	3.25
Other services	8.60	0.50
Reimbursement of expenses	5.92	2.56
	136.02	123.06

Notes to consolidated financial statements

for the year ended March 31, 2023

*Details of CSR expenditure:

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
(a) Gross amount required to be spent by the Group during the year	5.33	43.76
(b) Amount spent during the year ended on March 31, 2023:	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	7.15	-
(c) 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	-

The Group, through CSR initiative focuses on following areas:

- Purchase of Anti-smog gun for environment
- Empowerment of weaker section of society through education and skill training
- Giving special care to disabled's, advocacy for inclusion and early identification of person with disabilities

29 Finance costs

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Interest		
- on term loans from banks	12,663.77	12,235.33
- on loans from financial institutions	1,440.51	1,564.65
- on loans from others	0.00	13.80
- on vehicle loans	35.64	50.35
- on lease liability (refer note 20)	3,431.05	3,849.47
- on other credit facilities from banks	162.32	139.85
- on income tax	0.13	2.24
- on others	0.06	3.91
Bank charges (including commission on credit card collection)	501.17	234.10
	18,234.65	18,093.70

30 Finance income

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Profit on sale of investment	2.44	36.15
-Bank Deposits	119.90	349.18
-Others	288.89	263.80
Interest on income tax refund	100.77	43.61
Fair value profit on financial instruments at fair value through profit or loss	5.41	3.18
	517.41	695.92

Notes to consolidated financial statements

for the year ended March 31, 2023

31 Depreciation and amortisation expense

	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)
Depreciation on property, plant and equipment	7,058.03	8,034.05
Amortisation of intangible assets	901.33	502.59
Amortisation of Right to use asset	1,701.14	1,897.65
Depreciation on investment properties	3.57	4.39
Depreciation capitalised	(3.91)	(3.93)
Total	9,660.16	10,434.75

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, 2023	March 31, 2022
Profit/(Loss) attributable to equity holders (for basic and diluted) (₹ In Lakhs)	11,456.36	(8,743.39)
Weighted average number of equity Shares (for basic and diluted earnings per share)*	79,12,11,385	79,06,17,960
Basic and Diluted loss per share	1.45	(1.11)

*The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. The shares of the Company has been listed on BSE Limited and National Stock Exchange of India Limited with effect from April 9, 2018.

33. Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and other commitments. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognised in the period in which the estimate is revised.

Notes to consolidated financial statements

for the year ended March 31, 2023

Critical judgements, estimates and assumptions

a. Impairment of property, plant and equipment

Each hotel property is an identifiable asset that generates cash inflows and is independent of the cash inflows of the other hotel properties, hence identified as cash generating units. The Group assesses the carrying amount of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate (pre tax rate of WACC)	12.50%	11.70% -13.00%
Long-Term Growth Rate	5.50%	5.00%

As at March 31, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount.

b. Leases

The Group has taken certain land and land & building on long-term lease basis. The lease agreements generally have an escalation clause and are generally non-cancellable. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires judgment. The Group uses judgement in assessing the lease term and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate.

c. Taxes

Considering that nature of the Group's operations and history of past tax losses, deferred tax assets (including MAT credit) are recognised to the extent that it is probable that taxable profit will be generated in future against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, it is considered prudent to recognise the deferred tax assets only to the extent of deferred tax liabilities and the Group has not recognised deferred tax assets of ₹ 6,984.38 lakhs (March 31, 2022: ₹ 9,129.99 lakhs).

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. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2023 is considered adequate.

Notes to consolidated financial statements

for the year ended March 31, 2023

34. 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, 2023	5.17%	7,305.41	13.14%	1,847.17	79.46%	13.38	13.22%	1,860.55
Balance as at March 31, 2022	19.00%	26,581.02	24.81%	(3,407.44)	10.70%	4.60	24.85%	(3,402.84)
Subsidiaries								
1 Fleur Hotels Private Limited								
Balance as at March 31, 2023	(1.58%)	(2,235.49)	40.61%	5,707.51	6.53%	1.10	40.57%	5,708.61
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)
2 Celsia Hotels Private Limited								
Balance as at March 31, 2023	(0.13%)	(179.72)	5.59%	786.26	2.25%	0.38	5.59%	786.64
Balance as at March 31, 2022	2.70%	3,773.15	(0.89%)	122.02	0.58%	0.25	(0.89%)	122.27
3 Mezeleon Hotels LLP								
Balance as at March 31, 2023	0.00%	0.22	0.00%	(0.09)	0.00%	-	0.00%	(0.09)
Balance as at March 31, 2022	0.00%	0.74	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
4 Invoova Hotels & Resorts Limited								
Balance as at March 31, 2023	0.09%	126.52	4.68%	657.40	2.96%	0.50	4.68%	657.90
Balance as at March 31, 2022	1.40%	1,965.14	1.33%	(182.05)	2.07%	0.89	1.32%	(181.16)
5 PSK Resorts & Hotels Private Limited								
Balance as at March 31, 2023	0.00%	0.55	0.00%	(0.55)	0.00%	0.00	0.00%	(0.55)
Balance as at March 31, 2022	0.00%	1.12	0.00%	(0.54)	0.00%	-	0.00%	(0.54)
6 Manakin Resorts Private Limited								
Balance as at March 31, 2023	0.47%	662.55	(0.67%)	(93.64)	(22.63%)	(3.81)	(0.69%)	(97.45)
Balance as at March 31, 2022	0.60%	838.48	0.35%	(48.70)	(0.79%)	(0.34)	0.36%	(49.04)
7 Canary Hotels Private Limited								
Balance as at March 31, 2023	2.22%	3,139.31	0.35%	48.91	0.58%	0.10	0.35%	49.01
Balance as at March 31, 2022	2.26%	3,166.71	2.21%	(303.97)	(1.21%)	(0.52)	2.22%	(304.49)

Notes to consolidated financial statements

for the year ended March 31, 2023

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, 2023	(0.90%)	(1,270.02)	7.94%	1,116.23	(3.17%)	(0.53)	7.93%	1,115.70
Balance as at March 31, 2022	3.71%	5,192.50	4.13%	(567.34)	(1.00%)	(0.43)	4.15%	(567.77)
9 Sukhsagar Complexes Private Limited								
Balance as at March 31, 2023	1.67%	2,355.36	1.49%	208.84	(4.33%)	(0.73)	1.48%	208.11
Balance as at March 31, 2022	0.83%	1,166.10	2.28%	(312.88)	0.16%	0.07	2.28%	(312.81)
10 Oriole Dr. Fresh Hotels Private Limited								
Balance as at March 31, 2023	0.11%	159.23	(0.33%)	(46.15)	2.29%	0.39	(0.33%)	(45.76)
Balance as at March 31, 2022	0.21%	287.11	2.16%	(296.95)	1.65%	0.71	2.16%	(296.24)
11 Dandelion Hotels Private Limited								
Balance as at March 31, 2023	0.01%	18.82	0.00%	(0.49)	0.00%	-	0.00%	(0.49)
Balance as at March 31, 2022	(8.20%)	(11,465.08)	0.00%	(0.57)	0.00%	-	0.00%	(0.57)
12 Carnation Hotels Private Limited								
Balance as at March 31, 2023	0.41%	578.08	5.35%	751.76	8.24%	1.38	5.35%	753.14
Balance as at March 31, 2022	0.67%	940.97	(1.04%)	143.08	2.07%	0.89	(1.05%)	143.97
13 Grey Fox Project Management Company Private Limited								
Balance as at March 31, 2023	0.05%	74.20	0.04%	5.00	0.00%	0.00	0.04%	5.00
Balance as at March 31, 2022	(0.04%)	(55.86)	0.00%	(0.55)	0.14%	0.06	0.00%	(0.49)
14 Red Fox Hotel Company Private Limited								
Balance as at March 31, 2023	0.00%	1.18	0.00%	(0.39)	0.00%	-	0.00%	(0.39)
Balance as at March 31, 2022	0.00%	1.57	0.00%	(0.40)	0.00%	-	0.00%	(0.40)
15 Lemon Tree Hotel Company Private Limited								
Balance as at March 31, 2023	0.00%	1.26	0.00%	(0.40)	0.00%	-	0.00%	(0.40)
Balance as at March 31, 2022	0.00%	1.66	0.00%	(0.40)	0.00%	-	0.00%	(0.40)

Notes to consolidated financial statements

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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
16 Valerian Management Services Private Limited								
Balance as at March 31, 2023	0.00%	(1.44)	(0.20%)	(27.44)	0.00%	0.00	(0.20%)	(27.44)
Balance as at March 31, 2022	0.01%	7.98	0.03%	(3.80)	0.00%	-	0.03%	(3.80)
17 IORA Hotels Private Limited								
Balance as at March 31, 2023	25.36%	35,848.44	(0.49%)	(69.45)	0.00%	0.00	(0.49%)	(69.45)
Balance as at March 31, 2022	26.77%	37,454.97	0.33%	(45.77)	0.00%	-	0.33%	(45.77)
18 Ophrys Hotels Private Limited								
Balance as at March 31, 2023	0.00%	0.06	0.00%	(0.23)	0.00%	0.00	0.00%	(0.23)
Balance as at March 31, 2022	0.00%	2.23	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
19 Bandhav Resorts Private Limited								
Balance as at March 31, 2023	0.88%	1,239.32	0.09%	13.25	(2.35%)	(0.40)	0.09%	12.85
Balance as at March 31, 2022	1.67%	2,340.89	(0.06%)	8.32	0.00%	-	(0.06%)	8.32
20 Madder Stays Private Limited								
Balance as at March 31, 2023	0.00%	0.00	0.00%	(0.20)	0.00%	0.00	0.00%	(0.20)
Balance as at March 31, 2022	0.00%	0.31	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
21 Nettle Hotels Private Limited								
Balance as at March 31, 2023	0.00%	(0.04)	0.00%	(0.24)	0.00%	0.00	0.00%	(0.24)
Balance as at March 31, 2022	0.00%	0.31	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
22 Arum Hotels Private Limited								
Balance as at March 31, 2023	0.00%	(0.04)	0.00%	(0.24)	0.00%	0.00	0.00%	(0.24)
Balance as at March 31, 2022	0.00%	0.31	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
23 Bergruen Hotels Private Limited								
Balance as at March 31, 2023	25.51%	36,050.42	3.99%	561.20	13.96%	2.34	4.01%	563.55
Balance as at March 31, 2022	36.66%	51,286.47	5.68%	(779.88)	32.30%	13.88	5.59%	(766.00)
24 Hamstede Living Private Limited								
Balance as at March 31, 2023	0.20%	284.79	0.01%	1.48	0.00%	-	0.01%	1.48
Balance as at March 31, 2022	0.20%	283.31	0.07%	(9.65)	0.00%	-	0.07%	(9.65)

Notes to consolidated financial statements

for the year ended March 31, 2023

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
25 Totally Foxed Solutions Private Limited								
Balance as at March 31, 2023	0.87%	1,227.48	(0.07%)	(9.14)	0.00%	-	(0.06%)	(9.14)
Balance as at March 31, 2022								
Non-controlling interests in all subsidiaries								
Balance as at March 31, 2023	39.59%	55,955.77	18.48%	2,597.64	16.21%	2.73	18.48%	2,600.37
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)
Total Balance as at March 31, 2023	100.00%	1,41,342.22	100.00%	14,054.00	100.00%	16.83	100.00%	14,070.83
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)

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for the year ended March 31, 2023

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.

Benefit Liability	₹ in lakhs	
	March 31, 2023	March 31, 2022
Gratuity plan	309.99	314.17
Total	309.99	314.17

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, 2023:

	Opening Balance		Cost charged to profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income				March 31, 2023		
	Inclusion on account of purchase of new subsidiary	April 1, 2022	Service cost	Net interest expense/income		Sub-total included in profit or loss*	Benefits paid	Remeasurement changes arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions		Experience adjustments	Sub-total included in OCI#
Defined benefit obligation	-	609.94	55.97	32.75	-	(71.03)	(18.24)	2.50	(15.74)	-	-	611.89
Fair value of plan assets	-	295.77	-	15.18	(5.66)	(22.28)	-	-	-	-	7.57	301.90
Benefit liability	-	314.17	55.97	17.57	(5.66)	(48.73)	(18.24)	2.50	(15.74)	(7.57)	(7.57)	309.99

* ₹ 1.07 lakhs (March 31, 2022: ₹ 1.16 lakhs) capitalised. Refer note 4.

₹ 1.98 lakhs (March 31, 2022: ₹ 1.07 lakhs) capitalised. Refer note 4.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2022:

	Opening Balance		Cost charged to profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income				March 31, 2022		
	Inclusion on account of purchase of new subsidiary	April 1, 2021	Service cost	Net interest expense/income		Sub-total included in profit or loss*	Benefits paid	Remeasurement changes arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions		Experience adjustments	Sub-total included in OCI#
Defined benefit obligation	-	614.99	58.19	29.03	-	(51.94)	(7.95)	(32.38)	(40.33)	-	-	609.94
Fair value of plan assets	-	234.63	-	10.45	6.00	(24.75)	-	-	-	-	69.44	295.77
Benefit liability	-	380.36	58.19	18.58	(6.00)	(27.19)	(7.95)	(32.38)	(40.33)	(69.44)	(69.44)	314.17

* ₹ 1.16 lakhs (March 31, 2021: ₹ 2.22 lakhs) capitalised. Refer note 4.

₹ 1.07 lakhs (March 31, 2021: ₹ 1.85 lakhs) capitalised. Refer note 4.

Notes to consolidated financial statements

for the year ended March 31, 2023

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2023	March 31, 2022
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, 2023	March 31, 2022
Discount rate:		
Pension plan	7.20%	5.00% to 6.10%
Future salary increases:		
Pension plan	5.00	5.00
Life expectation for pensioners :		
Pension plan		
Male	60	60
Female	60	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

India gratuity plan:

Assumptions	March 31, 2023		March 31, 2023	
	Discount rate	Future salary increases	Discount rate	Future salary increases
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(10.75)	11.45	11.57	(11.06)

₹ in lakhs

Assumptions	March 31, 2022		March 31, 2022	
	Discount rate	Future salary increases	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

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:

Duration (Years)	For the year ended	
	March 31, 2023	March 31, 2022
1	340.32	320.44
2	91.20	81.27
3	66.34	72.84
4	52.18	52.65
5	40.96	41.33
Above 5	122.28	125.78
Total expected payments	713.28	694.31

₹ in lakhs

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.07 years (March 31, 2022: 4.23 years).

Notes to consolidated financial statements

for the year ended March 31, 2023

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%. (March 31, 2022-9.39%)

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, 2023 ₹ 16,128.87 lakhs (March 31, 2022 ₹ 15,494.59 lakhs)

c. Contingent liabilities

(i) Legal claim contingency

	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
Counter Guarantees given in respect of guarantees issued by Company's bankers	1,647.80	1,394.54
Service tax*	295.10	295.10
Luxury tax	42.45	42.45
Income tax**	27.25	-
VAT	-	5.02
Matters pending with consumer court	4.50	4.50
Total	2,017.10	1,741.61

*(amount paid under protest- ₹ 23.10 lakhs)

** (amount paid under protest/adjusted against refund – ₹ 10.72 lakhs)

The Group's pending litigations above pertains to proceedings pending with Income Tax, Excise, Sales/VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

- (ii) Hyacinth Hotels Private Limited, one of the subsidiary company, has received a demand from South Delhi Municipal Corporation ('the Authority') wherein the Authority has called upon the subsidiary company to pay an amount of ₹ 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. The Subsidiary Company filed a writ petition in the high court against the said order. Pending adjudication, the High Court had given interim stay directing the subsidiary company to deposit ₹ 25 lakhs. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand (including the demand for any subsequent year) is improbable to crystallise.

Notes to consolidated financial statements

for the year ended March 31, 2023

- (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 now listed on May 30, 2023 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 crystallise.

- (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 an arbitration award has been passed on December 06, 2022 against which an objection petition has been filed by the DDA before the High Court of Delhi. Notice is yet not issued. 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 crystallise.

(v) Note on Provident Fund:

Based upon the legal opinion obtained by the management, Group is not required to create provisions in books of accounts in view of the judgement of the Hon'ble Supreme court in the case of Vivekananda Vidyamandir vs Regional Provident Fund Commissioner (II), West Bengal and subsequent dismissal of review petition by Hon'ble Supreme court in the case of review petition No. 001972-001973/2019 in civil appeal 3965-3966 in the matter of Surya Roshni Ltd Vs Employees Provident Fund and Another.

Considering the equitable cause, the High Courts may give prospective effect to the judgement which can be done in exercise of inherent powers of High Court under Article 226 of the constitution of India.

In case of the Group, retrospective effect is remote and at present uniformity is maintained across all brands/grades.

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(viii) Berggruen Hotels Private Limited (a subsidiary company) has entered into a lease agreement in April, 2008 with the land owners of the Baroda property to construct a hotel in the said property pursuant to which sum of ₹ 100 Lakhs has been paid to the property owners as refundable security deposit. As per the Lease agreement, on execution of the said Lease Deed, owners were obliged to deliver to the Subsidiary Company, vacant and peaceful possession of the said property and to demolish existing structure standing thereon in order to enable the Subsidiary company to construct the proposed hotel on the said property. More than five years have elapsed since execution of the said 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 along with interest at the rate of 25% per annum. Subsequent to termination of the lease agreement, the Subsidiary Company has also filed the case against owners for recovery of monies paid along with the interest. The Subsidiary Company expects the judgment in its favour.

37. Employee Stock Option Plans:

a) Stock options granted on and after April 1, 2006.

The share-based payment scheme provided to the employees is as follows:

Date of grant	September 1, 2006, April 1, 2007, October 1, 2007, April 1, 2008, January 12, 2009, April 1, 2009, April 1, 2010, October 1, 2010, April 1, 2011, April 1, 2012, April 1, 2015, January 1, 2018
Date of Board Approval of plan	July 18, 2006
Date of Shareholder's approval of plan	August 25, 2006
Number of options granted	13,249,207
Method of Settlement	Equity
Vesting Period	12-48 months & 15-39 months
Exercise Period	5 years from the date of vesting
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period.

Details of vesting:

Vesting period from the grant date	Vesting Schedule*
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	30%
On completion of 48 months	40%

*All ESOP's under ESOP Plan 2006 are granted as per general vesting schedule defined in the scheme except for ESOP's granted on 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, 2022: Nil) during the year on exercise of options granted under the employee stock option plan (ESOP).

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38. Related Party Transactions

Names of related parties	
Key Management Personnel	<ul style="list-style-type: none"> - Mr. Patanjali Govind Keswani (Chairman and Managing Director) - Mr. Rattan Keswani (Deputy Managing Director) (upto March 31, 2022) - Mr. Willem Albertus Hazeleger (Director) - Mr. Aditya Madhav Keswani (Director) - Mr. Pradeep Mathur (Independent Director) (ceased to be Independent Director w.e.f December 4, 2022) - Mr. Paramartha Saikia (Independent Director) - Mrs. Freyan Jamshed Desai (Independent Director) - Mr. Ashish Kumar Guha (Independent Director) (ceased to be Independent Director w.e.f September 14, 2022) - Dr. Arindam Kumar Bhattacharya (Independent Director) - Mr. Arvind Singhanian (Independent Director) (ceased to be an Independent Director w.e.f September 14, 2022) - Mr. Niten Malhan (Independent Director)
Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	<ul style="list-style-type: none"> - 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 Inovia Hotels & Resorts Limited) - Mr. Rajeev Janveja (Whole Time Director of Sukhsagar Complexes Private Limited) (w.e.f November 30, 2021) - Ms. Natasha Yashpal (Whole Time Director of Iora Hotels Private Limited) (ceased w.e.f November 15, 2022) - Mr. Sameer Singh (Whole Time Director of Iora Hotels Private Limited) (w.e.f December 1, 2022) - Ms. Anshu Sarin (Whole Time Director & CEO of Berggruen Hotels Private Limited) - Mr. Devinder Kumar (Whole Time Director of Hamstede Living Private Limited)
Enterprises owned or significantly influenced by key management personnel or their relatives	<ul style="list-style-type: none"> - Toucan Real Estates Private Limited
Associates	<ul style="list-style-type: none"> - Mind Leaders Learning India Private Limited - Pelican Facilities Management Private Limited

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer : Mr. Kapil Sharma

Company Secretary : Mr. Nikhil Sethi

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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-23	349.93	-	-	-
	31-Mar-22	185.96	-	-	-
Mr. Rattan Keswani	31-Mar-23	-	-	-	-
	31-Mar-22	-	169.60	-	-
Mr. Sumant Jaidka	31-Mar-23	-	68.92	-	-
	31-Mar-22	-	47.54	-	-
Mr. Rajesh Kumar	31-Mar-23	-	60.04	-	-
	31-Mar-22	-	40.11	-	-
Mr. Kapil Sharma	31-Mar-23	95.33	-	-	-
	31-Mar-22	92.70	-	-	-
Mr. Nikhil Sethi	31-Mar-23	45.89	-	-	-
	31-Mar-22	34.86	-	-	-
Ms. Natasha Yashpal	31-Mar-23	-	32.08	-	-
	31-Mar-22	-	35.47	-	-
Mr. Sameer Singh	31-Mar-23	-	18.29	-	-
	31-Mar-22	-	-	-	-
Ms. Anshu Sarin	31-Mar-23	-	134.63	-	-
	31-Mar-22	-	111.07	-	-
Reimbursement of Capital Expenditure					
Toucan Real Estate Private Limited	31-Mar-23	-	-	34.30	-
	31-Mar-22	-	-	148.52	-
Sitting Fee paid					
Mr. Arvind Singhania	31-Mar-23	0.25	-	-	-
	31-Mar-22	0.25	-	-	-
Mr. Ashish Kumar Guha	31-Mar-23	0.70	1.05	-	-
	31-Mar-22	1.25	1.15	-	-
Mrs. Freyan Jamshed Desai	31-Mar-23	1.85	-	-	-
	31-Mar-22	2.00	-	-	-
Mr. Paramartha Saikia	31-Mar-23	1.90	1.20	-	-
	31-Mar-22	1.75	1.00	-	-
Mr. Pradeep Mathur	31-Mar-23	0.90	1.05	-	-
	31-Mar-22	1.60	0.75	-	-
Mr. Niten Malhan	31-Mar-23	1.50	0.70	-	-
	31-Mar-22	1.80	1.15	-	-
Dr. Arindam Kumar Bhattacharya	31-Mar-23	1.25	-	-	-
	31-Mar-22	-	-	-	-
Sale of Service					
Pelican Facilities Management Private Limited	31-Mar-23	-	-	-	-
	31-Mar-22	-	-	-	1.69

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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
Training Fee Paid (Gross)					
Mind Leaders Learning India Private Limited	31-Mar-23	-	-	-	18.84
	31-Mar-22	-	-	-	99.77
Rent Received					
Mind Leaders Learning India Private Limited	31-Mar-23	-	-	-	12.01
	31-Mar-22	-	-	-	2.73
Pelican Facilities Management Private Limited	31-Mar-23	-	-	-	6.07
	31-Mar-22	-	-	-	-
Balances outstanding at the year end - Trade Payable/Other Current Liabilities					
Mr. Kapil Sharma	31-Mar-23	0.03	-	-	-
	31-Mar-22	0.09	-	-	-
Mr. Sumant Jaidka	31-Mar-23	-	6.16	-	-
	31-Mar-22	-	12.65	-	-
Mr. Rajesh Kumar	31-Mar-23	-	1.63	-	-
	31-Mar-22	-	1.73	-	-
Mr. Nikhil Sethi	31-Mar-23	0.82	-	-	-
	31-Mar-22	1.10	-	-	-
Ms. Anshu Sarin	31-Mar-23	-	3.90	-	-
	31-Mar-22	-	-	-	-
Mind Leaders Learning India Private Limited	31-Mar-23	-	-	-	0.16
	31-Mar-22	-	-	-	26.99
Balances outstanding at the year end - Loans & Advances					
Toucan Real Estate Private Limited	31-Mar-23	-	-	287.23	-
	31-Mar-22	-	-	271.90	-
Pelican Facilities Management Private Limited	31-Mar-23	-	-	-	3.23
	31-Mar-22	-	-	-	1.55
Mind Leaders Learning India Private Limited	31-Mar-23	-	-	-	27.35
	31-Mar-22	-	-	-	-

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, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ 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.

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39. Fair value measurement

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument

a. Financial assets

	₹ in lakhs			
	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	5,597.77	-	2,905.75
Investments	100.30	-	595.40	-
Security Deposits	-	7,030.30	-	6,828.81
Other bank balances (including fixed deposit under lien)	-	1,362.11	-	938.36
Cash and Cash Equivalents	-	2,368.19	-	5,428.61
Interest accrued on deposit with banks	-	456.90	-	518.60
Loans	-	30.00	-	41.21
Total Financial Assets	100.30	16,845.27	595.40	16,661.34

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, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings	-	1,74,572.90	-	1,69,864.95
Trade Payables	-	6,679.71	-	5,851.12
Other Financial Liabilities	-	3,258.34	-	619.11
Lease Liabilities (Non-current)	-	42,526.92	-	42,473.49
Lease Liabilities (Current)	-	583.52	-	458.13
Total Financial Liabilities	-	2,27,621.39	-	2,19,266.80

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 categorises 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.

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for the year ended March 31, 2023

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Financial assets and liabilities measured at fair value

	₹ in lakhs			
	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Quoted mutual funds	99.70	-	-	99.70
Unquoted equity instruments	-	-	0.60	0.60
	₹ 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

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:

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Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group is carrying its borrowings primarily at variable rate. The Group expects the variable rate to decline, accordingly the Group is currently carrying its loans at variable interest rates.

	₹ In lakhs	
	March 31, 2023	March 31, 2022
Variable rate borrowings	1,74,145.73	169,381.84
Fixed rate borrowings	427.18	483.11

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, 2023		
Floating rate borrowing	50	(774.18)
Floating rate borrowing	-50	774.18
March 31, 2022		
Floating rate borrowing	50	(853.64)
Floating rate borrowing	-50	853.64

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

for the year ended March 31, 2023

Reconciliation of provision for doubtful debts - Trade receivables (including provision for expected credit loss)

	₹ In lakhs	
	31-March-23	31-March-22
Provision as at beginning	1686.92	1644.83
Addition during the year	8.02	42.09
Reversal during the year	-	-
Utilised during the year	-	-
Provision as at closing	1,694.94	1,686.92

(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 2023 and March 31 2022 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 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, 2023, the group had no sanctioned (March 31, 2022: ₹ 5,939 lakhs) 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, 2023						
Borrowings (other than lease liability)*	5,751.57	2,214.93	14,656.21	78,354.33	74,628.66	1,75,605.70
Trade and other payables	6,679.71	-	-	-	-	6,679.71
Other Financial Liabilities	3,258.34	-	-	-	-	3,258.34
	15,689.62	2,214.93	14,656.21	78,354.33	74,628.66	1,85,543.75
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	1,71,007.16
Trade and other payables	5,851.12	-	-	-	-	5,851.12
Other Financial Liabilities	619.11	-	-	-	-	619.11
	10,016.40	1,173.39	10,421.02	71,484.54	84,382.04	1,77,477.39

* represents un-discounted cashflows

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Future minimum rentals payable under non-cancellable operating leases as at year end are, as follows:

	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Minimum Lease Payments :		
Not later than one year	4,120.81	3,838.52
Later than one year but not later than five years	18,159.24	16,992.29
Later than five years	89,692.82	91,454.64
Total	1,11,972.87	1,12,285.45

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, 2023	March 31, 2022
Borrowings (Note 19 and 22) (Net of Processing Fee)	1,74,572.90	1,69,864.95
Trade payables (Note 22)	6,679.90	5,851.12
Less: cash and cash equivalents (Note 13)	2,368.19	5,428.61
Net debt	1,78,884.42	1,70,287.46
Total capital	1,41,342.22	1,39,887.88
Capital and net debt	3,20,226.64	3,10,175.34
Gearing ratio	56%	55%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

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".

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Information about geographical areas

The Company has only domestic operations and hence no information required for the Group as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

No customer individually accounted for more than 10% of the revenue.

43. (a) During the earlier years, one of the subsidiary had entered into an Infrastructure development and services agreement with Delhi International Airport Limited (DIAL) to develop two hotels at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the Subsidiary for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL may take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further.
- (b) During the earlier years, one of the subsidiary had entered into a sub-lease agreement with Mumbai International Airport Limited ('MIAL') to develop the hotel at Chhatrapati Shivaji International Airport at Mumbai for an initial term upto May 02, 2036, extendable at the option of the Company for an additional period of 30 years provided MIAL gets the extension from Airport Authority of India. Airport Authority of India may take over the building at 'Net Present Value', as defined in the aforesaid agreement in case the agreement is not extended further.

44. Changes in Ownership interest in Subsidiaries/Associates

- (a) During the year ended March 31, 2023, the parent company had purchased compulsory convertible preference shares of Fleur Hotels Private Limited leading to increase in equity stake by 2.25% in Fleur Hotels Private Limited and accordingly remeasured its previously held equity interest on the acquisition date fair value and recognised the resulting gain of ₹ 7,751.68 lakhs in capital reserve in Other Equity.
- (b) During the year ended March 31, 2023, the parent company had purchased additional 25.10% additional stake in Carnation Hotels Private Limited and accordingly remeasure its previously held equity interest on the acquisition date fair value and recognised the resulting gain of ₹ 1,641.56 lakhs in capital reserve in Other Equity.

45. The carrying amount of goodwill has been allocated to CGUs as follows:

Particulars	₹ In lakhs
	Amount
Berggruen Hotels Private Limited (subsidiary of Fleur Hotels Private Limited) (7 units)	8,832.41
Bandhav Resorts Private Limited (1 unit)	673.42
Others	2.60
Total	9,508.43

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the Berggruen Hotels Private Limited and Bandhav Resorts Private Limited as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors beyond five year period and a pre-tax WACC rate of 12.5% (March 31, 2022: 12%) and terminal growth rate of 5.50% (March 31, 2022: 5.0%).

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.

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- (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. Amendments/Standards notified but not yet effective

- a) The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are applicable for annual reporting periods beginning from April 01, 2023, as below:

Ind AS 1 – Presentation of Financial Statements- This amendment require companies to disclose their material accounting policies information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect to have any significant impact in its financial statements due to this amendment

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors- This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The Company does not expect to have any significant impact in its financial statements due to this amendment.

Ind AS 12 – Income Taxes- The amendment has narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect to have any significant impact in its financial statements due to this amendment.

Other amendments- Other amendments include amendments in Ind AS 102, Share-based Payments, Ind AS 103, Business Combination, Ind AS 109, Financial Instruments, Ind AS 115, Revenue from Contract with Customers, are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact in its financial statements due to these amendments.

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 amendments/standards (other than above) that are notified, but not yet effective up to the date of issuance of the Company's financial statements.

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for the year ended March 31, 2023

47. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

	₹ In lakhs	
	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,417.41	627.81
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

48. The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

49. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

50. During the earlier year Fleur Hotels Private Limited had made provision of estimated stamp duty expense of ₹ 1525.03 Lakhs on amalgamation of Meringue Hotels Private Limited, Begonia Hotels Private Limited and Nightingale Hotels Private Limited. This provision of stamp duty expense is a one- time expense of non-recurring nature.

51. During the year company has received Entitlement certificate for subsidy under Rajasthan Investment Promotion Scheme ("RIPS") 2014 dated December 6, 2022, based on which the company shall be eligible for 50% of the SGST paid on Aurika Hotels, Udaipur for a period of 7 years from the date of the commercial production i.e. 29th October 2019. However the flow of benefit will accrue from date of the entitlement certificate.

52. The Parent Company has filed second motion Application with NCLT on January 31, 2023 w.r.t the Scheme of Amalgamation ("Scheme") of Wholly Owned Subsidiary(ies) of the Company viz. Valerian Management Services Private Limited ("Transferor Company No. 1"), Grey Fox Project Management Company Private Limited ("Transferor Company No. 2"), PSK Resorts & Hotels Private Limited ("Transferor Company No. 3") and Dandelion Hotels Private Limited ("Transferor Company No. 4") with Lemon Tree Hotels Limited ("Transferee Company") and final date of hearing is fixed for 9th June, 2023. On the approval of Scheme by NCLT, Transferor Company(ies) shall be amalgamated with the Parent Company w.e.f April 1, 2022 (Appointed date of Scheme)

53. 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

Notes to consolidated financial statements

for the year ended March 31, 2023

- (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.

54. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification.

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali Govind 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 30, 2023

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, 2023, 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 reports of the other auditor on separate financial statements of the Trust referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act 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, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other 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.

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	<p>Impairment of Investment in subsidiaries having hotel properties (Refer Note 29b to the Standalone Financial Statements)</p> <p>At each reporting period, the Company assesses the carrying amounts of investment in subsidiaries (having hotel properties) to determine whether there is any indication that those investments have suffered an impairment loss. If any indication exists, the Company estimates the investment's recoverable amount. Where the carrying amount of CGU exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.</p> <p>The Company holds investment in subsidiaries operating hotels and are located in India amounting to ₹ 89,895.08 Lakhs as at March 31, 2023.</p> <p>The Company has undertaken an assessment of indicators of impairment in respect of the investment in subsidiaries as mentioned in Note 8 of the standalone financial statements considering the qualitative factors such as economic situation in recent past and past performance of hospitality industry.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> i. Obtained an understanding and assessed the Company's impairment process. ii. Tested the design and implementation of internal control established to the estimates and judgments for the carrying values of investment in subsidiaries. iii. Assessed the reasonableness of the assumptions used to determine the fair value of investment in subsidiaries, including discount rate and long-term growth rate, using our valuation expertise; iv. Assessed the reliability of cash flow forecasts through a review of actual past performance; v. Challenged the assumptions used in the cash flow forecasts, which includes occupancy rate, average room rate. To consider forecasting risk we also performed sensitivity analysis over these assumptions. vi We have tested the arithmetical accuracy of the impairment model.

Sr. No.	Key Audit Matter	Auditor's Response
	<p>To assess the recoverability of the investment in subsidiaries, management is required to make significant estimates and assumptions related to forecast of future revenue, operating margins, growth rate and selection of the discount rates. The Company used the discounted cash flow approach to determine the recoverable value of the investments.</p> <p>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.</p>	<p>vii. We have assessed the net worth of the subsidiaries on the basis of latest available financial statements.</p> <p>viii. We have verified the computation of the Company's share in that respective company's enterprise value (EV) and compared the book value of investments as at the balance sheet date with the amount calculated.</p> <p>ix. We have assessed the disclosures made by the Company in relation to this matter.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its Trust to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity or business activities included in the standalone financial statements of which we are the independent

auditors. For the other entity or business activities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 ₹ 178.51 Lakhs as at March 31, 2023 and total revenue of ₹ Nil Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements have been audited by the other auditors whose 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 on the consideration of the reports of the other auditors on the separate financial statements of the Trust, referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - 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 - Refer Note 31c to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 44 to the standalone financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 45 to the standalone financial statements;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 (viii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 46 (ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or

otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining

books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Rajesh Kumar Agarwal
Partner

Place: New Delhi
Date: May 30, 2023

Membership No. 105546
UDIN 23105546BGXMSN9126

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 with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Lemon Tree Hotels Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial

statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal

financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/ W-100018

Rajesh Kumar Agarwal

Partner

Membership No. 105546

UDIN 23105546BGXMSN9126

Place: New Delhi

Date: May 30, 2023

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 programme of verification of property, plant and equipment, capital work-in-progress and investment properties so to cover all the items once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme certain Property, Plant and Equipment, capital work-in-progress and investment properties were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, we report that:
- i. based on the examination of the confirmation received by us from 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 Chennai admeasuring 10,696 sqft, whose title deeds are in name of P.A Holdings Private Limited which were merged with Winsome Entertainment and Tourism Ltd erstwhile companies that was merged with the Company under Section 394 of the Companies Act, 1956 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, 2023 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 and no material discrepancies have been observed.

- (iii) The Company has not provided any guarantee or security and advances in nature of loans to any other entity during the year. The Company has made investment in and granted unsecured loans to 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	1,673.55
- Others	-
B. Balance outstanding as at balance sheet	
- subsidiaries	1,139.86
- Others	30.00

- (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 loans, the terms and conditions of the grant of such loans are, in our opinion, not prejudicial to the Company's interest after considering the purpose for which 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 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 ₹ 1,673.55 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 sections 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans or provided guarantee or security under section 185 of Companies Act 2013. As per section 186 (11) read with schedule VI, provision for section 186 with respect to grant of loans and providing guarantees would not apply to the Company as the Company is providing infrastructural facilities.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

- (vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. We are informed that the duty of Custom, Sales tax, Service tax and duty of Excise is not applicable to the company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 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, 2023 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) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On overall examination of financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. According to the information and explanations given to us by the management, the Company has utilised funds from internal accruals for investing and granting loans to its wholly owned subsidiaries. (refer reporting under clause (iii) above)
- (f) The Company has not raised 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.
- (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 not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to ₹ 157 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 realisation 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 incurred losses during the three immediately preceding financial years and hence, it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable to the Company for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Rajesh Kumar Agarwal
Partner

Place: New Delhi
Date: May 30, 2023

Membership No. 105546
UDIN 23105546BGXMSN9126

Standalone Balance Sheet

as at March 31, 2023

Particulars	Note No.	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	38,753.78	39,487.86
(b) Capital work-in-progress	4	2,135.05	1,766.94
(c) Investment property	5	223.76	228.15
(d) Intangible assets	6	176.64	228.04
(e) Right of use asset	7	14,516.37	15,322.47
(f) Financial assets	8		
(i) Investments		93,829.13	80,505.37
(ii) Loans		30.00	41.21
(iii) Other non-current financial assets		2,086.85	1,922.77
(g) Deferred tax assets (net)	9.1	3,729.09	5,037.70
(h) Non-Current tax assets (net)	9.2	620.82	1,155.30
(i) Other non-current assets	10	159.90	112.29
		1,56,261.39	1,45,808.10
Current assets			
(a) Inventories	11	255.94	207.78
(b) Financial assets			
(i) Trade receivables	12	6,472.27	3,819.32
(ii) Cash and cash equivalents	12	792.25	1,566.64
(iii) Investments	8	-	500.44
(iv) Loans	12	1,139.86	489.09
(v) Other current financial assets	12	14.66	19.23
(c) Other current assets	13	1,261.20	1,695.70
		9,936.18	8,298.20
Total Assets		1,66,197.57	1,54,106.30
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	79,160.71	79,081.33
(b) Other equity	15	27,867.41	19,725.69
Total Equity		1,07,028.12	98,807.02
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	29,765.11	30,094.22
(ii) Lease liability	16 (a)	16,766.03	16,783.88
(b) Provisions	17	144.20	131.61
		46,675.34	47,009.71
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	7,304.78	4,078.79
(ii) Lease liability	16 (a)	294.35	300.25
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		406.28	206.18
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,731.31	2,657.70
(iv) Other current financial liabilities	18	43.94	104.63
(b) Provisions	17	198.66	186.81
(c) Other current liabilities	19	1,514.79	755.21
		12,494.11	8,289.57
Total Liabilities		59,169.45	55,299.28
Total Equity and Liabilities		1,66,197.57	1,54,106.30
Summary of significant accounting policies	2.2		
The accompanying notes are an integral part of the financial statements.	1 to 47		

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal Partner
Patanjali Govind Keswani (Chairman & Managing Director)
Kapil Sharma (Chief Financial Officer)
Nikhil Sethi (AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 30, 2023

Place: New Delhi
Date : May 30, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Note No.	Year ended March 31, 2023 ₹ in lakhs	Year ended March 31, 2022 ₹ in lakhs
Revenue from operations	20	31,026.09	12,918.90
Other income	21	63.79	298.51
Total Income		31,089.88	13,217.41
Expenses			
Cost of food and beverages consumed	22	1,229.53	643.69
Employee benefits expense	23	5,311.13	3,768.07
Power and fuel	24(a)	1,974.01	1,295.16
Other expenses	24(b)	5,134.69	3,213.33
Total expenses		13,649.36	8,920.25
Profit before finance cost, finance income, depreciation and amortisation and tax (EBITDA) (refer note 2.2 (s))		17,440.52	4,297.16
Finance costs	25	4,482.83	4,794.36
Finance income	26	(369.92)	(339.73)
Depreciation and amortisation expense	27	1,995.23	2,103.29
Profit/(Loss) before tax		11,332.38	(2,260.76)
Tax expense:			
- Current tax (under MAT)		1,992.24	-
- Deferred tax (including of MAT credit)	9.1	1,303.09	(654.98)
		3,295.33	(654.98)
Profit/(Loss) for the year		8,037.05	(1,605.78)
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement losses on defined benefit plans		18.87	6.49
Income tax effect on above		(5.49)	(1.89)
		13.38	4.60
Total comprehensive income/(loss) for the year		8,050.43	(1,601.18)
Earnings/(Loss) per equity share (Face Value of ₹ 10/- each)			
(1) Basic	28	1.02	(0.20)
(2) Diluted	28	1.02	(0.20)
The accompanying notes are an integral part of the financial statements.	1 to 47		

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal Partner
Patanjali Govind Keswani (Chairman & Managing Director)
Kapil Sharma (Chief Financial Officer)
Nikhil Sethi (AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 30, 2023

Place: New Delhi
Date : May 30, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

	No. of shares	Amount ₹ in lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 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	79,08,13,373	79,081.33
Change in shares held by ESOP trust (Refer Note 14)	7,93,850	79.38
At March 31, 2023	79,16,07,223	79,160.71

B. Other Equity

	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, 2021	45.00	10,406.82	3,035.24	7,788.66	6.08	21,281.80
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	19,725.69
Profit for the year	-	-	-	8,037.05	-	8,037.05
Other Comprehensive Income for the year	-	-	-	-	13.38	13.38
Impact of changes in shares held by ESOP trust (Refer Note 15)	-	91.29	-	-	-	91.29
Balance at March 31, 2023	45.00	10,543.18	3,035.24	14,219.93	24.06	27,867.41

The accompanying notes are an integral part of the financial statements 1 to 47

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal
Partner

Patanjali Govind Keswani
(Chairman & Managing Director) (Chief Financial Officer)
DIN-00002974

Kapil Sharma

Nikhil Sethi
(AVP Legal & Group Company Secretary)
Mem. no. - A18883

Place: New Delhi
Date : May 30, 2023

Place: New Delhi
Date : May 30, 2023

Standalone Statement of Cash flow

for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
A. Cash flow from operating activities		
Profit/(Loss) before tax	11,332.38	(2,260.76)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	1,995.23	2,103.29
Waiver of lease rent	-	(142.90)
Finance income (including fair value change in financial instruments)	(369.92)	(339.73)
Finance costs	4,327.53	4,728.84
Provision for gratuity	36.34	30.64
Provision for leave encashment	3.37	1.12
Provision for loyalty programme	10.67	4.29
Provision for litigation	9.01	9.01
Net (gain)/loss on sale of property, plant and equipment	(6.20)	3.67
Net gain on sale of investments	(2.44)	(36.14)
Operating profit before working capital changes:	17,335.97	4,101.33
Movements in working capital:		
(Increase)/Decrease in trade receivables	(2,652.95)	3,905.91
(Increase)/Decrease in loans and advances and other current assets	222.73	1,103.37
(Increase)/ Decrease in inventories	(48.16)	(15.87)
Increase/(Decrease) in liabilities and provisions	986.97	(1,259.25)
Cash Generated from Operations	15,844.56	7,835.49
Direct taxes paid (net of refunds)	(1,457.74)	(353.21)
Net cash flows generated from operating activities (A)	14,386.82	7,482.28
B. Cash flows used in investing activities		
Purchase of Property, plant and equipment (adjustment of CWIP, capital advances and capital creditors)	(797.95)	(628.04)
Proceeds from sale of property plant and equipment	12.95	38.37
Purchase of investment in subsidiary company	(13,590.00)	(1,400.00)
Purchase of current investments	-	(500.44)
Proceeds from sale of current investments	502.88	-
Proceeds from sale/maturity of non current investments	350.00	236.19
Short term loans (given)/repaid (to)/by subsidiaries (net)	(650.77)	(366.48)
Net proceeds from maturity/liquidation of fixed deposits	15.50	115.84
Interest received	286.47	435.09
Net Cash flow used in investing activities (B)	(13,870.92)	(2,069.47)
C. Cash flows used in financing activities		
Proceeds from issuance of share capital	170.67	84.26
Payment towards reduction of outstanding lease liabilities	(1,607.64)	(1,341.12)
Proceeds from long-term borrowings	6,500.00	5,329.00
Repayment of long-term borrowings	(5,448.29)	(7,096.49)
(Repayment)/Proceeds of short term borrowings (net)	1,808.84	(1,362.77)
Interest paid	(2,713.87)	(3,100.17)
Net Cash flow used in financing activities (C)	(1,290.29)	(7,487.29)

Standalone Statement of Cash flow

for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Net decrease in cash and cash equivalents (A + B + C)	(774.39)	(2,074.48)
Cash and cash equivalents at the beginning of the year	1,566.64	3,641.12
Cash and cash equivalents at the end of the year	792.25	1,566.64
Components of cash and cash equivalents (Refer Note 12)		
Cash on hand	16.46	17.88
Balances with scheduled banks in		
- Current accounts	197.11	988.76
- Deposits with original maturity of three months or less	578.68	560.00
Total cash and cash equivalents	792.25	1,566.64

The accompanying notes are an integral part of the financial statements.

As per our report of even date For and on behalf of the Board of Directors of

For Deloitte Haskins & Sells LLP Lemon Tree Hotels Limited
Chartered Accountants

Rajesh Kumar Agarwal
Partner

Patanjali Govind 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 30, 2023

Place: New Delhi
Date : May 30, 2023

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 30, 2023.

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.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(b) Foreign currencies

Functional and presentation currency

The Company's financial statements are presented in INR, which is also the Company's functional currency. Presentation currency is the currency in which the Company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of lakhs rupees, except where otherwise stated.

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 Amortised 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, 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 recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

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 recognised on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognised 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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 recognised at the points of serving these items to the guests. Sales are stated exclusive of VAT/ Goods and Service Tax (GST).

Interest income

For all financial instruments measured at amortised 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 recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from the management services comprises fixed and variable income. An entity recognises revenue relating to the fixed income over time by measuring the progress towards complete satisfaction of the performance obligation. In respect of variable income, revenue is recognised is on an accrual basis in accordance with the terms of the relevant agreement.

(e) Taxes

Tax expense represents Current tax and Deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have

been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 recognised is derecognised 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 derecognised.

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 amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit

or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 10 years for Brand (Keys Hotels) and 3 years for other intangible assets which shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortised, 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 recognised in the income statement when the asset is derecognised.

(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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(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 capitalised 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.

(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 recognises 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 recognises any remaining amount of the re-measurement in statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 recognised 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 recognised 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(n) Deferred Revenue

The Company operates a loyalty point's programme, which allows customers to accumulate points when they obtain services in the Company's Hotels. The points can be redeemed for free products/ nights, subject to a minimum number of points being obtained. Consideration received is allocated between the Room Revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

(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 recognises 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 recognised 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 recognised 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:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries/associates carried at cost

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 amortised 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. If there is any change in estimate for payment of loan (provided that there was no error in original estimate), difference in carrying amount and repayment has been adjusted as return on capital by the parent, based on condition/ situation prevailing on that date. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments.

The Company has designated compulsory redeemable preference shares investments in its subsidiaries at FVTPL. The difference between the transaction amount and amortised 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 recognised 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 recognised 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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: There are no instruments measured at FVTOCI

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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 recognised in OCI. These gains/ losses 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

This category generally applies to borrowings. For more information refer Note 16.

Financial guarantee

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

If a financial guarantee is an integral element of debts held by the entity, it is not accounted for separately.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(r) Share-based payments

Certain employees (including senior executives) of the Company receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of equity-settled transactions with employees measured at fair value at the date at which they are granted using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(s) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from core business operations. In its measurement, the Company does not include finance costs, finance income, depreciation and amortisation, exceptional items, if any and tax expense.

(t) Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(u) Indirect taxes

Value Added Taxes/Goods & Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(v) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

3. Property, plant and equipment

Particulars	₹ in lakhs											
	Freehold land	Building on freehold land	Building on leasehold Land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total
Gross Carrying Amount (I)												
At April 1, 2021	10,153.30	17,179.15	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
Additions	-	-	-	88.91	6.68	72.55	13.03	51.47	-	49.76	117.44	399.84
Eliminated on Disposals	-	-	-	-	-	-	0.45	-	-	-	40.20	40.65
At March 31, 2023	10,153.30	17,179.15	11,967.38	5,026.03	1,917.28	1,252.45	96.68	2,687.88	315.70	273.33	765.76	51,634.94
Accumulated Depreciation (II)												
At April 1, 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	184.45	342.93	11,787.89
Charge for the year	-	297.14	198.22	340.69	69.40	58.23	4.60	103.25	0.66	17.47	37.52	1,127.18
Eliminated on Disposals	-	-	-	-	-	-	0.23	-	-	-	33.68	33.91
At March 31, 2023	-	2,286.22	1,976.98	3,167.04	1,564.60	832.85	87.65	2,109.47	307.67	201.91	346.77	12,881.16
III. Net Carrying amount(I-II)												
At March 31, 2023	10,153.30	14,892.93	9,990.40	1,858.99	352.68	419.60	9.03	578.41	8.03	71.42	418.99	38,753.78
At March 31, 2022	10,153.30	15,190.07	10,188.62	2,110.77	415.40	405.29	0.82	630.19	8.69	39.13	345.59	39,487.86

Notes

- Title deeds for following immovable properties are submitted to lenders/custodian (on behalf of lenders):
 - HDFC Bank- Lemon Tree Hotel, Ahmedabad, Lemon Tree Hotel, Udyog Vihar, Lemon Tree Hotel, Chennai, Lemon Tree Hotel, Pune, Lemon Tree Premier, Ulsoor Lake, Bangalore, Lemon Tree Hotel, Chandigarh.
 - Axis Trustee Services Limited (custodian) on behalf of Aditya Birla Finance Limited- Red Fox Hotel Hyderabad.
- Refer Note 29 for Critical judgements, estimates and assumptions
- The Property, Plant & Equipment are valued at cost. The Company has not revalued these assets during the year.
- The lease agreement for leasehold properties on which building is constructed is registered in the name of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

4. Capital work-in-progress

Hotel at Shimla

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Material	1,804.69	1,469.90
Salary wages & bonus	208.20	186.14
Professional charges	116.46	105.20
Others	5.70	5.70
	2,135.05	1,766.94

Particulars	Amount (₹ in lakhs)
Balance as at April 01, 2021	1,547.59
Additions during the year	219.35
Balance as at March 31, 2022	1,766.94
Additions during the year	368.11
Balance as at March 31, 2023	2,135.05

CWIP Ageing schedule

As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	₹ in lakhs				
Projects in progress#	368.11	219.35	97.80	1,449.79	2,135.05
Total	368.11	219.35	97.80	1,449.79	2,135.05

As at March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	₹ in lakhs				
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

Represents hotel under construction at Shimla, Project is expected to be completed in financial year 2024-25.

a) Refer Note 31(b) for information on contractual commitments for development of Shimla property.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

5. Investment property

Particulars	Total (₹ in lakhs)
Gross Carrying Amount (I)	
At April 1, 2021	258.89
Additions	-
At March 31, 2022	258.89
Additions	-
At March 31, 2023	258.89
Accumulated Depreciation (II)	
At April 1, 2021	26.35
Charge for the year	4.39
At March 31, 2022	30.74
Charge for the year	4.39
At March 31, 2023	35.13
III. Net Carrying amount(I-II)	
At March 31, 2023	223.76
At March 31, 2022	228.15

Information regarding income and expenditure of Investment property:

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Rental income derived from investment property	19.38	16.85
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(1.00)	(1.00)
Profit arising from investment properties before depreciation and indirect expenses	18.38	15.85
Less - Depreciation	(4.39)	(4.39)
Profit arising from investment properties before indirect expenses	13.99	11.46

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, 2023 and March 31, 2022, the fair values of the property is ₹ 258.89 lakhs and ₹ 258.89 lakhs respectively.

These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property dated March 25, 2014

The valuer has considered these valuations on the basis that there is no material change in the value of property since acquired, hence no impairment is made during the year

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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

Particulars	₹ in lakhs			
	Software	Goodwill	Brand (Keys Hotels)	Total
Gross Carrying Amount (I)				
At April 1, 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
Additions	6.16	-	-	6.16
At March 31, 2023	527.99	2.63	100.00	630.62
Accumulated Depreciation (II)				
At April 1, 2021	326.80	-	10.00	336.80
Amortisation	49.62	-	10.00	59.62
At March 31, 2022	376.42	-	20.00	396.42
Amortisation	44.93	2.63	10.00	57.56
At March 31, 2023	421.35	2.63	30.00	453.98
III. Net Carrying amount(I-II)				
At March 31, 2023	106.64	-	70.00	176.64
At March 31, 2022	145.41	2.63	80.00	228.04

Notes

a) The Intangible assets are valued at cost. The Company has not revalued these assets during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

7. Right-of-use asset

Particulars	₹ in lakhs
Gross Carrying Amount (I)	
At April 1, 2021	23,963.45
Additions	-
At March 31, 2022	23,963.45
Additions	-
At March 31, 2023	23,963.45
Accumulated Depreciation (II)	
At April 1, 2021	7,827.32
Amortisation	813.66
At March 31, 2022	8,640.98
Amortisation	806.10
At March 31, 2023	9,447.08
III. Net Carrying amount(I-II)	
At March 31, 2023	14,516.37
At March 31, 2022	15,322.47

Notes:

- The lease agreement for leasehold properties is registered in the name of the Company.
- Right-of-use assets are valued at cost. The Company has not revalued these assets during the year.

8. Financial assets

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(i) Investments		
(A) Investment in Companies with hotel properties		
Investments at cost		
Unquoted equity shares of subsidiary companies at cost		
49,494,240 (Previous year 49,494,240) equity shares of Fleur Hotels Private Limited of ₹10 each fully paid	62,957.93	62,957.93
500,945,400 (Previous year 500,945,400) Equity shares of Canary Hotels Private Limited of ₹1 each fully paid	6,774.28	6,774.28
10,195,000 (Previous year 10,195,000) 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
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
Unquoted compulsory convertible preference shares of subsidiary companies at cost		
2,200,000 (Previous year Nil) Compulsorily Convertible Preference shares of Fleur Hotels Private Limited of ₹10 each fully paid*	10,900.06	-
Deemed investment (equity portion) on account of interest free loan to subsidiaries (Repaid)		
Fleur Hotels Private Limited	59.90	59.90
Oriole Dr. Fresh Hotels Private Limited	14.46	14.46

Notes to Standalone Financial Statements

for the year ended March 31, 2023

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
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
(I)	89,895.08	78,995.02
(B) Other investments		
Investments at cost		
Unquoted equity shares of subsidiary companies at cost		
934,580 (Previous year 700,000) Equity shares of Carnation Hotels Private Limited of ₹ 1 each fully paid	1,896.01	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 Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited) of ₹ 10 each fully paid	1.00	1.00
10,000 (Previous year 10,000) Equity shares of Madder Stays Private Limited of ₹ 10 each fully paid	1.00	1.00
10,000 (Previous year 10,000) Equity shares of Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited) of ₹ 10 each fully paid	1.00	1.00
80,10,000 (Previous year Nil) Equity shares of Totally Foxed Solutions Private Limited of ₹ 10 each fully paid	801.00	-
29,500,000 (Previous year 29,500,000) Equity shares of Hamstede Living Private Limited of ₹ 10 each fully paid	887.07	887.07
Less Provision of diminution in the value of Investment made in Hamstede Living Private Limited	(592.07)	(592.07)
Unquoted equity shares of associate companies at cost		
340,000 (Previous year 340,000) Equity shares of Mind Leaders Learning India Private Limited of ₹ 1 each fully paid	3.40	3.40
Unquoted compulsory redeemable preference shares of subsidiary company at fair value through Profit and loss		
Nil (Previous year 350,000) 5% Redeemable Non Cumulative Preference shares of Carnation Hotels Private Limited of ₹ 100 each fully paid	-	266.24
Deemed investment (equity portion) on account of interest free loan to subsidiaries (Repaid)		
Dandelion Hotels Private Limited	4.85	4.85
Deemed investment (equity portion) in redeemable preference shares (Repaid)		
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		
Nil units (Previous Year: 12,053.579) 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: 1,937) equity shares of SEP Energy Private Limited of ₹ 10 each fully paid	0.19	0.26

Notes to Standalone Financial Statements

for the year ended March 31, 2023

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(II)	3,934.05	2,010.78
(I+II)	93,829.13	81,005.81
Aggregate book value of unquoted investments	93,829.13	80,505.37
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	93,829.13	80,505.37
Total	93,829.13	81,005.81

^Investment in equity shares of Sukhsagar Complexes Private Limited (SCPL) has been pledged for term loan taken by the SCPL.

*The preference shares will be convertible at the option of the Company at any-time on or before June 30, 2023

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(ii) Loans		
(unsecured considered good unless otherwise stated)		
Loans to employees at amortised cost	30.00	41.21
	30.00	41.21

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(iii) Other financial assets (unsecured, considered good)		
Security deposits	1,908.24	1,732.90
Interest accrued on deposits with banks and others*	81.68	77.43
Fixed deposits under lien*	96.93	112.44
	2,086.85	1,922.77

* Fixed deposits under lien and interest accrued on deposits with banks includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

9.1 Deferred tax assets (net)

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Property, plant and equipment and intangible assets	4,395.30	4190.82
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	4,395.30	4,190.95
Impact of expenditure charged to the statement of profit and loss in the current/earlier period but allowable for tax purposes on payment basis	193.70	153.75
Effect of unabsorbed depreciation and business loss	-	3,130.70
Lease liability	1,967.69	1,803.46
Gratuity	48.06	42.97
Leave compensation	27.72	28.32
Loyalty program	9.35	6.24
Provision for contingency	24.06	21.44
Provision for slow moving inventory	8.56	8.81
Interest on borrowings u/s 43B	323.51	334.91
Security deposits-impact on discounting	634.17	610.39
Loan to employee	-	6.91
Amortised processing cost	56.32	44.71

Notes to Standalone Financial Statements

for the year ended March 31, 2023

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Provision for doubtful debts and advances	43.14	43.14
Deferred tax asset	3,336.28	6235.75
A. Deferred tax asset/(liability) (net)	(1,059.02)	2,044.80
B. MAT credit entitlement (Deferred tax asset)*	4,788.11	2,992.90
Deferred tax asset (net) (A+B)	3,729.09	5,037.70

*MAT credit as on March 31, 2023 for ₹ 4,788.11 lakhs shall expiry between FY 2023-24 to 2036-37.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year March 31, 2023 and March 31, 2022:

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Profit/(Loss) before tax	11,332.38	(2,260.76)
Tax rate	29.12%	29.12%
Tax at statutory income tax rate	3,299.99	(658.33)
Effect of incomes taxable at nil/lower rate	(4.45)	(2.37)
Effect of non-deductible expenses	(0.21)	5.72
Net tax expense as per P&L	3,295.33	(654.98)

9.2 Non-Current tax assets (net)

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Advance Income Tax (net of provision for taxation)	620.82	1,155.30
	620.82	1,155.30

10. Other non-current assets

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Unsecured, considered good		
Capital advances	0.44	0.48
Prepaid expenses	159.46	111.81
	159.90	112.29

11. Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Food and beverages (excluding liquor and wine)	38.18	30.32
Liquor and wine	42.13	27.36
Stores, cutlery, crockery, linen, provisions and others (valued at cost)	175.63	150.10
Total	255.94	207.78

Refer footnote to Note 16 for inventories pledged.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

12. Financial assets

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(i) Trade receivables**		
Trade receivables		
Unsecured, considered good	6,472.27	3,819.32
Trade Receivables which have significant increase in credit risk	146.32	146.32
Less: Provision for expected credit loss	(146.32)	(146.32)
Total	6,472.27	3,819.32
Trade receivables from non related parties	1,299.39	688.04
Trade receivables from related parties (Refer Note 33)	5,172.88	3,131.28
	6,472.27	3,819.32

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, 2023

Particulars	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	36.25	6,259.17	173.63	3.22	-	-	6,472.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	5.89	17.10	1.51	3.72	118.10	146.32
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	36.25	6,265.06	190.73	4.73	3.72	118.10	6,618.59
Less: Provision for expected credit loss	-	(5.89)	(17.10)	(1.51)	(3.72)	(118.10)	(146.32)
Net total	36.25	6,259.17	173.63	3.22	-	-	6,472.27

Notes to Standalone Financial Statements

for the year ended March 31, 2023

As at March 31, 2022

Particulars	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	
		₹ in lakhs					
(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	-	-	-	-	-	-	-
Total	-	3,393.36	416.44	10.23	145.61	-	3,965.64
Less: Provision for expected credit loss	-	(1.09)	(0.29)	(3.19)	(141.75)	-	(146.32)
Net total	-	3,392.27	416.15	7.04	3.86	-	3,819.32

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(ii) Cash and cash equivalents		
Balance with banks		
On current accounts	197.11	988.76
Deposits with original maturity of 3 months or less	578.68	560.00
Cash on hand	16.46	17.88
Total	792.25	1,566.64

Reconciliation of Movements of liabilities to cash flows arising from financing activities

Particulars	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Balance as at beginning of the year-Borrowings and lease liabilities	51,257.14	54,242.73
Movement due to payments (received)/made	(1,460.96)	(7,571.55)
Movement due to non cash transactions in lease liabilities and borrowings		
- Accrual of finance cost	4,334.09	4,585.96
Balance as at end of the year- Borrowings and lease liabilities	54,130.27	51,257.14

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(iii) Loans		
Unsecured, considered good		
Loans and advances to subsidiaries*#	1,139.86	489.09
Total	1,139.86	489.09

*read with note number 33

Notes to Standalone Financial Statements

for the year ended March 31, 2023

#Disclosure of loans or advances given by the company in the nature of loans granted to related parties.

Type of Borrower	March 31, 2023		March 31, 2022	
	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)	1,139.86	100%	489.09	100%
Total	1,139.86		489.09	

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(iv) Other financial assets		
Security deposits	0.68	0.68
Interest accrued but not due (Refer Note 33)	13.98	18.55
Total	14.66	19.23

Break up of current financial assets carried at amortised cost

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Trade receivables	6,472.27	3,819.32
Cash and cash equivalents	792.25	1,566.64
Security deposits	0.68	0.68
Interest accrued but not due (Refer Note 33)	13.98	18.55
Loans and advances to subsidiaries	1,139.86	489.09
Total	8,419.04	5,894.28

13. Other current assets

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Advances recoverable	442.06	356.69
Unbilled revenue	66.85	604.50
Balance with statutory/government authorities	410.70	447.76
Prepaid expenses	341.59	286.75
Total	1,261.20	1,695.70

Notes to Standalone Financial Statements

for the year ended March 31, 2023

14. Share capital

Authorised Share Capital

	Equity shares (Face Value of ₹ 10 each)		5% Redeemable Preference shares (Face Value of ₹ 100 each)	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At April 1, 2021	1,00,14,40,000	1,00,144.00	1,45,000	145.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2022	1,00,14,40,000	1,00,144.00	1,45,000	145.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2023	1,00,14,40,000	1,00,144.00	1,45,000	145.00

Issued equity capital#

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of shares	₹ in lakhs
At April 1, 2021	79,04,21,473	79,042.14
Change in shares held by ESOP trust	3,91,900	39.19
At March 31, 2022	79,08,13,373	79,081.33
Change in shares held by ESOP trust	7,93,850	79.38
At March 31, 2023	79,16,07,223	79,160.71

excluding 639,241 equity shares (March 31, 2022: 14,33,091 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, 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	14,33,091	143.31	79,08,13,373	79,081.33
Change in shares held by ESOP trust	-	-	(7,93,850)	(79.38)	7,93,850	79.38
At March 31, 2023	79,22,46,464	79,224.64	6,39,241	63.92	79,16,07,223	79,160.71

(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held as at March 31, 2023*	No. of shares	% held as at March 31, 2022*
Equity shares of ₹ 10 each fully paid up				
Spank Management Services Private Limited	17,69,44,863	22.33%	17,94,44,863	22.65%
APG Strategic Real Estate Pool N.V.	11,87,30,914	14.99%	11,87,30,914	14.99%
SBI Large and Midcap Fund	6,00,93,359	7.59%	6,62,00,000	8.36%
WF Asian Reconnaissance Fund Limited	-	0.00%	5,53,83,349	6.99%

* Calculated on number of share capital (including ESOP trust)

(c) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please Refer Note 32

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(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, 2023 No. of shares	March 31, 2022 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 58,33,781 shares (March 31, 2022 : 81,52,151) 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, 2023

S. No.	Promoter Name	Category	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	Percentage of Total shares	Percentage change during the year
1	Patanjali Govind Keswani	Promoter	3,41,564	-	3,41,564	0.04%	-
2	Spank Management Services Private Limited	Promoter	17,94,44,863	(25,00,000)	17,69,44,863	22.33%	(0.32)%
3	Toucan Real Estates Private Limited	Promoter Group	3,50,000	-	3,50,000	0.04%	-
4	Sparrow Buildwell Private Limited	Promoter Group	67,83,280	-	67,83,280	0.86%	-
5	Lillette Dubey	Promoter Group	3,74,908	(1,75,000)	1,99,908	0.03%	(0.02)%
6	Ila Dubey	Promoter Group	24,44,292	-	24,44,292	0.31%	-
Total			18,97,38,907	(26,75,000)	18,70,63,907	23.61%	

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, 2023

15. Other equity

	₹ in lakhs
Securities premium	
At April 1, 2021	10,406.82
Change in shares held by ESOP trust	45.07
At March 31, 2022	10,451.89
Change in shares held by ESOP trust	91.29
At March 31, 2023	10,543.18
Surplus in the Statement of Profit and Loss	
At April 1, 2021	7,788.66
Loss for the year	(1,605.78)
At March 31, 2022	6,182.88
Profit for the year	8,037.05
At March 31, 2023	14,219.93
Other comprehensive income	
At April 1, 2021	6.08
Increase during the year	4.60
At March 31, 2022	10.68
Increase during the year	13.38
At March 31, 2023	24.06
General reserve	
At April 1, 2021	3,035.24
Increase/(decrease) during the year	-
At March 31, 2022	3,035.24
Increase/(decrease) during the year	-
At March 31, 2023	3,035.24
Capital redemption reserve	
At April 1, 2021	45.00
Increase/(decrease) during the year	-
At March 31, 2022	45.00
Increase/(decrease) during the year	-
At March 31, 2023	45.00

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Other equity		
Securities premium	10,543.18	10,451.89
Surplus in the Statement of Profit and Loss	14,219.93	6,182.88
Other comprehensive income	24.06	10.68
General reserve	3,035.24	3,035.24
Capital redemption reserve	45.00	45.00
Total	27,867.41	19,725.69

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Notes:

Securities premium: Securities premium comprises of premium received on issue of shares

Surplus in the Statement of Profit and Loss: Surplus in the Statement of Profit and Loss represents balances of profit and loss at each year end.

Other comprehensive income: Other comprehensive income represents accumulated balances of Remeasurement (losses)/gains on defined benefit plans.

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 paid up 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, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Non-current borrowings		
Term Loans		
Loans from Banks (Secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 and 2 below)	-	1,417.50
Axis Bank Limited (Refer footnote 3, 4 and 5 below)	758.95	961.83
HDFC Bank Limited (Refer footnote 9, 10, 11, 12 and 13 below)	18,438.51	23,349.44
Vehicle loans (Refer footnote 14 below)	144.01	152.86
Loans from financial institutions (secured)		
Aditya Birla Finance Limited (Refer footnote 6, 7 & 8 below)	10,423.64	4,212.59
Total non-current borrowings	29,765.11	30,094.22
Current maturity of long-term loans (secured)		
Kotak Mahindra Bank Limited (Refer footnote 1 and 2 below)	-	202.50
Axis Bank Limited (Refer footnote 3, 4 and 5 below)	202.75	162.00
HDFC Bank Limited (Refer footnote 9, 10, 11, 12 and 13 below)	4,947.26	3,619.51
Vehicle loans (Refer footnote 14 below)	85.75	94.60
Current maturity of loans from financial institutions		
Aditya Birla Finance Limited (Refer footnote 6, 7 & 8 below)	260.00	-
Total current maturity of loans	5,495.76	4,078.61
Less: Amount clubbed under "Short term borrowings" (Refer Note 18(i))	(5,495.76)	(4,078.61)
Net current borrowings	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Footnotes to Note 16 "Borrowings"

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/Principal terms and conditions
1	Kotak Mahindra Bank Limited	810.00	NA	7.80%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 12 months. The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	The loan has been prepaid and charge has been satisfied during the year. 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 immovable 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.
2	Kotak Mahindra Bank Limited	810.00	NA	7.45%		

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/Principal terms and conditions
3	Axis Bank Limited	1,770.00	9.35%	8.25%	The Loan is repayable in 19 quarterly instalments.	It secured by: a) Exclusive charge over movable and immovable properties and fixed assets, both present and future, pertaining to Red Fox Hotel situated at Asset No. 6 Aerocity Hospitality District, New Delhi-110037 (except project land). b) Exclusive charge by way of hypothecation of all the project's movables including movable plant & machinery, machinery spares, tools and accessories. c) Exclusive charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities and subject to prior approval of bank. d) Exclusive charge by way of assignment or creation of charge in favour of the lender of - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents; - All insurance contracts/insurance proceeds; (e) All Cash Flow routing to be done through Escrow Account maintained with bank. (f) Right of substitution and other rights under the Substitution Agreement, on pari passu basis with other lenders.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/Principal terms and conditions
4	Axis Bank Limited	648.00	8.45%	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 No. 6, Delhi Aerocity Hospitality District, New Delhi (except project land). (b) Second charge by way of hypothecation of all the project's movables, including movable plant & machinery, machinery, spares, tools and accessories. (c) Second charge on project's book debts, operative cashflows, receivables, commissions, bank accounts, revenue of whatever nature and wherever arising, present and future subject to prior, present and future subject to prior change of bankers on specified current assets for securing working capital facilities and subject to prior approval of the bank. (d) Second charge by way of assignment or creation of charge in favour of lenders:- All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (e) Right to substitution and other rights under substitution agreement, on pari-passu basis with other lenders. (f) All cashflows routing shall continue to be done through TRA Account. (g) 100% Credit Guarantee by National Credit Guarantee Trust Company Limited.
5	Axis Bank Limited	326.00	8.10%	7.35%	The loan is repayable in 48 equal monthly installments commencing from the next month after completion of moratorium of 24 months.	
6	Aditya Birla Finance Limited	884.00	9.90%	8.80%	The loan is repayable in 48 equal monthly installments after moratorium of 12 months from the date of 1st disbursement.	It is secured by: 1) Second Charge on all moveable and current assets of the Company in connection with its Red Fox Hotel Hyderabad, both present and future as detailed under the Schedule 2 of the Deed of Hypothecation dated February 15, 2021; and 2) Second Charge Immoveable Properties of the Company as detailed in attached MOE dated March 5, 2021.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/Principal terms and conditions
7	Aditya Birla Finance Limited	4,500.00	9.90%	8.80%	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 Immoveable 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
8	Aditya Birla Finance Limited	6,500.00	10.00%	-	31 structured quarterly (except for last installment) installments from the date of first disbursement.	It is secured by: 1. First exclusive charge on Immoveable Fixed Assets (both present and future) of the 'Property' to provide a minimum Fixed Asset Coverage Ratio (FACR) of 1.25x (Market value of Land, Building and all appurtenances therein) at all times during the tenor of the Facility. 2. First & exclusive charge on Current and Movable Fixed Assets (both present and future) of the Property. 3. First & exclusive charge on Escrow Account for routing of entire cash flow pertaining to the Property. 4. Second Pari passu charge on all the Current Assets, Cashflows of the Company (excluding Current Assets, Cashflows pertaining to the Property and Red Fox Hotel, Hyderabad where Aditya Birla has first and exclusive charge), both present and future.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/Principal terms and conditions
9	HDFC Bank Limited	4,200.00	8.90%	8.10%	Repayable in 48 monthly installments after moratorium of 12 months	<p>Second Charge by way of Hypothecation on the following:</p> <ol style="list-style-type: none"> All the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and any other goods. All the book debts, amounts outstanding, monies receivable, claims and bills which are now due and owing or which may at any time hereafter during. All the plant and machinery both present and future consisting of all. The whole of the Security Provider's moveable properties, including its moveable plant and machinery, machinery spares, tools and accessories furniture. <p>Created with charge as below: It is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of bank. Properties: - <ul style="list-style-type: none"> Hotel Lemon Tree, Udyog Vihar Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad Hotel Lemon Tree, Chennai Hotel Lemon Tree, Chandigarh Lemon Tree Premier, Bangalore </p>
10	HDFC Bank Limited	2,100.00	8.55%	8.10%	The loan is repayable in 39 step-up quarterly installments.	<p>It is secured by:</p> <ol style="list-style-type: none"> 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. A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts, operating cash flows, receivables, commissions, banks accounts (whenever held) if any-present & future all revenues) 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, 2023

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/Principal terms and conditions
11	HDFC Bank Limited	10,000.00	8.55%/8.90%	8.10%	The loan is repayable in 44 consecutive quarterly installments after a moratorium of 1 year.	<p>It is secured by:</p> <ol style="list-style-type: none"> 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. First pari passu charge by way of hypothecation in favor of the lender on all current assets and movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future of Select Properties. Properties:- Hotel Lemon Tree, Udyog Vihar- Hotel Lemon Tree, Pune,- Hotel Lemon Tree, Ahmedabad- Hotel Lemon Tree, Chennai- Lemon Tree Premier, Bangalore
12	HDFC Bank Limited	11,100.00	8.90%	7.70%	The loan shall be repaid in 27 Consecutive quarterly installments as per the schedule mentioned in sanction letter.	<p>It is secured by:</p> <ol style="list-style-type: none"> First exclusive charge by way of equitable mortgage on select properties. 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: <ul style="list-style-type: none"> Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Lemon Tree Premier, Bangalore.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note	Lender	Amount Sanctioned ₹ in Lakhs	Carrying rate of Interest as at March 31, 2023	Carrying rate of Interest as at March 31, 2022	Repayment/ Modification of terms	Security/Principal terms and conditions
13	HDFC Bank Limited	4,192.60	8.55%	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 collateral securities including mortgages created in favour of the bank and security created over the asset of the borrower purchased out of this facility. Properties: -- Hotel Lemon Tree, Udyog Vihar- Hotel Lemon Tree, Pune, - Hotel Lemon Tree, Ahmedabad- Hotel Lemon Tree, Chennai- Hotel Lemon Tree, Chandigarh- Lemon Tree Premier, Bangalore
14	Vehicle loan (different banks)	-			These loans are repaid on agreed monthly installments.	Vehicle loan is secured by hypothecation of underlying motor vehicle acquired out of such loans from HDFC Bank Limited, Axis Bank Limited and BMW Financial Services.

- (i) The Company has not defaulted in the repayment of loans and interest as at Balance Sheet date
- (ii) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debt service coverage ratio, capital gearing ratio, fixed assets coverage ratio.
- (iii) The Company has complied all significant covenants from bank and financial institutions as per the terms of the loan agreement.
- (iv) The Company has used borrowings from banks/financial institutions for the specific purpose of working capital requirement and/or setting new projects. The Company has utilised funds from its internal accrual for making investment in subsidiaries/loan to subsidiaries.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

16 (a). Lease liabilities

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Balance at beginning of the year	17,084.13	16,993.22
Interest accrued during the year (Refer Note 25)	1,583.89	1,574.90
Payment of lease liabilities	1,607.64	1,483.99
Balance at end of the year	17,060.38	17,084.13
Current	294.35	300.25
Non-Current	16,766.03	16,783.88

17. Provisions

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Provision for gratuity (Refer Note 30)	165.03	147.57
Current	20.83	15.96
Non-current	144.20	131.61
Provision for compensated absences	95.19	97.24
Current	95.19	97.24
Non-current	-	-
Provision for litigations (Refer Note 31(d))	82.64	73.63
Current	82.64	73.63
Non-current	-	-
Total current	198.66	186.81
Total non-current	144.20	131.61

18. Financial liabilities

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(i) Short term borrowings		
Cash credit from banks (Secured)	1,809.02	0.18
Current maturities of long-term borrowings (Refer Note 16)	5,495.76	4,078.61
	7,304.78	4,078.79

A The cash credit facility and working capital loan from HDFC Bank Limited was repayable on demand and carries interest rate of 9.20% p.a. (March 31, 2022: 7.45% p.a.) and is secured by way of:

- First Exclusive charge by way of equitable mortgage on Select properties.
- 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 Hotel, Chandigarh

Notes to Standalone Financial Statements

for the year ended March 31, 2023

B 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 materially in agreement with the books of accounts.

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(iii) Trade payables		
Trade Payables*#		
- Micro and small enterprises	406.28	206.18
- Other than Micro, small and medium enterprises	2,731.31	2,657.70
*read with note number 43		
	3,137.59	2,863.88
Trade payables	3,108.06	2,851.98
Trade payables to related parties (Refer Note 33)	29.53	11.90
	3,137.59	2,863.88

*Trade payables ageing schedule based on the requirement of Schedule III

As at March 31, 2023

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	
		₹ in Lakhs				
Total outstanding dues of micro enterprises and small enterprises	-	406.28	-	-	-	406.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,914.54	711.80	13.05	6.26	85.66	2,731.31
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

As at March 31, 2022

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	
		₹ in Lakhs				
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, 2023

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
(iv) Other financial liabilities		
Interest accrued but not due on borrowings	18.64	25.19
Book overdraft	-	30.25
Other payables		
- Payable for capital goods	25.30	49.19
Total	43.94	104.63

19. Other current liabilities

	As at March 31, 2023 ₹ in lakhs	As at March 31, 2022 ₹ in lakhs
Advance from customers	292.97	215.32
Deferred revenue-loyalty programme	32.11	21.44
Statutory dues (Provident fund, GST, TDS and other Statutory dues)	1,189.71	518.45
Total	1,514.79	755.21

20. Revenue from operations

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Revenue from operations		
Sale of products and services		
- Room rental	19,489.67	8,208.89
- Food and beverage (excluding liquor and wine)	2,141.47	1,044.15
- Liquor and wine	221.67	86.62
- Banquet rentals	118.62	38.62
- Telephone and telex	6.02	3.05
- Other Services (including service charge income)	1,294.31	653.91
Other Operating Revenue		
- Management fee	7,754.33	2,883.66
Revenue from operations	31,026.09	12,918.90

21. Other Income

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Rent received	50.97	27.15
Profit on sale of shares/investment	2.44	36.14
Waiver of lease rental	-	142.90
Insurance claim received	2.94	10.16
Sundry balances written back	1.24	82.16
Profit on sale of Property, plant and equipment	6.20	-
Total	63.79	298.51

Notes to Standalone Financial Statements

for the year ended March 31, 2023

22. Cost of food and beverages consumed

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
(a) Consumption of food and beverages excluding liquor and wine		
Inventory at the beginning of the year	30.32	32.35
Add: Purchases	1,165.30	614.35
	1,195.62	646.70
Less: Inventory at the end of the year	38.18	30.32
Cost of food and beverage consumed	1,157.44	616.38
(b) Consumption of liquor and wine		
Inventory at the beginning of the year	27.36	27.76
Add: Purchases	86.86	26.91
	114.22	54.67
Less: Inventory at the end of the year	42.13	27.36
Cost of liquor and wine consumed	72.09	27.31
Total (a+b)	1,229.53	643.69

23. Employee benefits expense

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Salaries, wages and bonus	4,778.49	3,399.22
Contribution to provident fund and other funds	266.10	206.85
Gratuity expense (Refer Note 30)	36.34	37.13
Staff welfare expenses	230.20	124.87
Total	5,311.13	3,768.07

24 (a). Power and fuel

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Power and fuel	1,974.01	1,295.16
Total	1,974.01	1,295.16

24 (b). Other expenses

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	607.72	344.69
Guest transportation	132.01	59.07
Spa expenses	31.17	1.80
Subscription charges	53.03	38.86
Repair and maintenance		
- Buildings	359.11	127.05
- Plant and machinery	545.02	366.54
- Others	113.21	79.33
Rent (Refer Note 31(a))	387.58	297.09
Rates and taxes	351.50	372.09
Insurance	94.58	72.53

Notes to Standalone Financial Statements

for the year ended March 31, 2023

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Communication costs	237.69	165.92
Printing and stationery	73.65	43.19
Traveling and conveyance	65.04	12.10
Vehicle running and maintenance	78.78	73.54
Advertisement and business promotion	57.96	40.87
Architect and design fee	162.00	-
Commission-other than sole selling agent	706.93	406.73
Security and cleaning expenses	436.29	212.53
Membership and subscriptions	20.14	18.22
Legal and professional fees	513.28	327.27
Freight and cartage	4.12	2.71
Corporate social responsibility*	-	32.70
Loss on sale of property, plant and equipment	-	3.66
Payment to auditor (Refer note below)	76.53	80.06
Miscellaneous expenses	27.35	34.78
Total	5,134.69	3,213.33
Payment to auditor (excluding Goods and service tax)		
for statutory audit fees	41.00	41.00
for limited review	30.00	35.00
for tax audit	1.00	1.00
for other attest services	0.60	0.50
Out of pocket expenses	3.93	2.56
	76.53	80.06

* Details of CSR expenditure:

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
(a) Gross amount required to be spent by the Company during the year	-	32.69
(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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

25. Finance costs

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Interest		
- on term loans from banks	2,276.20	2,460.19
- on loans from others	407.68	426.57
- on vehicle loans	20.58	28.34
- on other credit facilities from banks	39.06	238.84
- on lease liability (Refer Note 16(a))	1,583.89	1,574.90
- on income tax	0.13	2.24
Bank charges (including commission on credit card collection)	155.29	63.28
Total	4,482.83	4,794.36

26. Finance income

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Interest Income from financial assets at amortised cost:		
- Bank deposits	36.82	123.31
- Interest others	274.94	216.42
Interest on income tax refund	58.16	-
Total	369.92	339.73

27. Depreciation and amortisation expense

	For the year ended March 31, 2023 ₹ in lakhs	For the year ended March 31, 2022 ₹ in lakhs
Depreciation on tangible assets	1,127.18	1,225.62
Amortisation on intangible assets	57.56	59.62
Depreciation on investment properties	4.39	4.39
Depreciation on right to use asset	806.10	813.66
Total	1,995.23	2,103.29

28. Earnings per share (Basic EPS and Diluted EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) attributable to equity holders (for basic and diluted) (₹ in lakhs)	8,037.05	(1,605.78)
Weighted Average Number of Equity Shares (for basic and diluted)*	79,12,11,385	79,06,17,960
Basic and Diluted EPS	1.02	(0.20)

*The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year.

29. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities and other commitments. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognised in the period in which the estimate is revised.

Critical judgements, estimates and assumptions

a. Impairment of property, plant and equipment

Each hotel property is an identifiable asset that generates cash inflows and is independent of the cash inflows of the other hotel properties, hence identified as cash generating units. The Company assesses the carrying amount of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate (pre tax rate of WACC)	12.50%	12.00%
Long-Term Growth Rate	5.50%	5.00%

As at March 31, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount.

b. Impairment of Investment in subsidiaries having hotel properties

The Company assesses the carrying amounts of investment in subsidiaries having hotel properties to determine whether there is any indication that those investments have suffered an impairment loss. Where the carrying amount of investments exceed its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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	As at
	March 31, 2023	March 31, 2022
Discount Rate (pre tax rate of WACC)	12.50%	12.00%
Long-Term Growth Rate	5.50%	5.00%

As at March 31, 2023, the estimated recoverable amount of the investments exceeded its carrying amount.

c. Leases

The Company has taken certain land and land & building on long-term lease basis. The lease agreements generally have an escalation clause and are generally non-cancellable. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires judgment. The Company uses judgement in assessing the lease term and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate.

d. Loss Allowance on trade receivables (Expected credit loss)

An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2023 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.

Benefit Liability	₹ in lakhs	
	March 31, 2023	March 31, 2022
Gratuity plan	165.03	147.57
Total	165.03	147.57

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

– Investment risk

The most of the Indian defined benefit plans are funded with Life Insurance Corporation of India. Company does not have any liberty to manage the fund provided to Life Insurance Corporation of India.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Company's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

– Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

– Longevity risk/life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. Increases in the life expectancy of the plan participants will increase the plan liability.

– Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan. Such a review includes the asset – liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the result of this annual review.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2023:

	Cost charged to statement of profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	Opening Balance	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	
Defined benefit obligation	407.54	28.96	20.38	49.34	(18.50)	-	-	(11.76)	(2.56)	(14.32)	-	
Fair value of plan assets	259.97	-	13.00	13.00	(18.50)	4.55	-	-	-	4.55	-	
Benefit liability	147.57	28.96	7.38	36.34	-	4.55	-	(11.76)	(2.56)	(18.87)	-	
											March 31, 2023	
												424.06
												259.03
												165.03

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2022:

	Cost charged to statement of profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	Opening Balance	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	
Defined benefit obligation	385.87	29.21	16.40	45.61	(23.50)	-	-	(4.54)	4.10	(0.44)	-	
Fair value of plan assets	199.51	-	8.48	8.48	(23.50)	6.05	-	-	-	6.05	69.43	
Benefit liability	186.36	29.21	7.92	37.13	-	(6.05)	-	(4.54)	4.10	(6.49)	(69.43)	
												March 31, 2022
												407.54
												259.97
												147.57

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2023	March 31, 2022
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, 2023	March 31, 2022
Discount rate:		
Pension plan	7.00%	5.00%
Future salary increases:		
Pension plan	5.00%	5.00%
Life expectation for pensioners :		
Pension plan		
Male	60	60
Female	60	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

India gratuity plan:

Assumptions	₹ in lakhs			
	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(5.35)	5.69	5.75	(5.50)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Assumptions	₹ in lakhs			
	March 31, 2022	March 31, 2022	March 31, 2022	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)

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:

Duration (Years)	₹ in lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
1	289.53	270.51
2	47.19	39.94
3	34.74	34.78
4	26.87	24.98
5	20.26	19.37
Above 5	54.63	53.31
Total expected payments	473.22	442.89

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 years (March 31, 2022: 2 years).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

31. COMMITMENTS AND CONTINGENCIES

a. Leases

Operating lease commitments – Company as lessee

The Company has entered into operating leases on hotel buildings, office premises, staff hostels and others. These are generally cancellable and are renewable by mutual consent on mutually agreed terms except for few properties (including hotel properties at Indore, Aurangabad, Gurgaon, New Delhi, Hyderabad (Banjara Hills) and Chandigarh.) The lease for the hotel property at Indore, Aurangabad, Gurgaon, New Delhi, Hyderabad (Banjara Hills) and Chandigarh are non-cancellable for a period of twenty-nine, twenty-two, thirty, twenty-seven, thirty and sixty years respectively. Refer Note No. 7 for carrying value of right to use asset recognised and Refer Note No.16(a) for carrying value of lease liability and the movement during the year.

The weighted average of incremental borrowing rate applied to lease liabilities is 9.39% (March 31, 2022: 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, 2023 is ₹ 284.22 lakhs (March 31, 2022 ₹ 459.06 lakhs).

c. Contingent liabilities

Legal claim contingency

	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
Counter guarantees issued in respect of guarantees issued by company's bankers	29.80	35.22
Service tax	70.05	70.05
Luxury tax	36.00	36.00
Total	135.85	141.27

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

For financials guarantee given to banks on behalf of and in respect of term loan facilities availed by its group companies refer note 31(f).

- d. During the earlier years, the Company has taken land on lease for construction of building from one of the subsidiary company for which South Delhi Municipal Corporation ('the Authority') has raised demand of ₹ 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. Considering that the area occupied by the Company is 41% of the hotel property, it has made provision of ₹ 82.64 lakhs (Previous year: ₹ 73.63 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, 2023

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 recognised 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, 2023	As at March 31, 2023	Loan Outstanding As at March 31, 2022	As at March 31, 2022
Canary Hotels Private Limited	1,207.99	2,350.00	1,207.99	2,350.00
Hyacinth Hotels Private Limited	9,465.79	8,605.00	9,465.79	8,605.00
Sukhsagar Complexes Private Limited	1,188.86	4,300.00	2,232.86	4,300.00
Oriole Dr. Fresh Hotel Private Limited	2,174.29	2,500.00	2,339.42	2,500.00
Fleur Hotels Private Limited	82,743.32	85,302.00	76,550.55	85,302.00
Carnation Hotels Private Limited	718.34	1,900.00	986.11	1,900.00
Total	97,498.59	104,957.00	92,782.72	104,957.00

32. EMPLOYEE STOCK OPTION PLANS:

Stock options granted on and after April 1, 2006.

The Company has provided various share-based payment schemes to its employees. During the year ended March 31, 2023, 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, 2022: 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, 2023

33. RELATED PARTY TRANSACTIONS

Names of related parties	
Subsidiary Company	<ul style="list-style-type: none"> - 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 - Inovia Hotels & Resorts Limited - Canary Hotels Private Limited - Grey Fox Project Management Company Private Limited - Ophrys Hotels Private Limited - Iora Hotels Private Limited - Bandhav Resorts Private Limited - Valerian Management Services Private Limited - Nettle Hotels Private Limited (formerly known as Poplar Homestead Holdings Private Limited) - Madder Stays Private Limited - Arum Hotels Private Limited (formerly known as Jessamine Stays Private Limited) - Totally Foxed Solutions Private Limited (w.e.f. August 11, 2022)
Key Management Personnel	<ul style="list-style-type: none"> - Mr. Patanjali Govind Keswani (Chairman and Managing Director) - Mr. Rattan Keswani (Deputy Managing Director) (till March 31, 2022) - Mr. Willem Albertus Hazeleger (Director) - Mr. Aditya Madhav Keswani (Director) - Mr. Pradeep Mathur (Independent Director) (ceased to be Independent Director w.e.f December 4, 2022) - Mr. Paramartha Saikia (Independent Director) - Mrs. Freyan Jamshed Desai (Independent Director) - Mr. Ashish Kumar Guha (Independent Director) (ceased to be Independent Director w.e.f September 14, 2022) - Mr. Arvind Singhania (Independent Director) (ceased to be an Independent Director w.e.f September 14, 2022) - Dr. Arindam Kumar Bhattacharya (Independent Director) - Mr. Niten Malhan (Independent Director)
Enterprises owned or significantly influenced by key management personnel or their relatives	<ul style="list-style-type: none"> - Toucan Real Estates Private Limited
Associates	<ul style="list-style-type: none"> - Mind Leaders Learning India Private Limited - Pelican Facilities Management Private Limited

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer : Mr. Kapil Sharma

Company Secretary : Mr. Nikhil Sethi

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel		Associate
(₹ in Lakhs)					
Reimbursement of expenses paid on behalf of party					
Fleur Hotels Private Limited	31-Mar-23	7.27	-	-	-
	31-Mar-22	5.76	-	-	-
Hyacinth Hotels Private Limited	31-Mar-23	0.85	-	-	-
	31-Mar-22	0.89	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-23	1.51	-	-	-
	31-Mar-22	0.23	-	-	-
Canary Hotels Private Limited	31-Mar-23	2.59	-	-	-
	31-Mar-22	0.19	-	-	-
Berggruen Hotels Private Limited	31-Mar-23	1.53	-	-	-
	31-Mar-22	2.03	-	-	-
Others	31-Mar-23	1.25	-	-	-
	31-Mar-22	1.88	-	-	-
Amount Received by the Party on behalf of the Company					
Fleur Hotels Private Limited	31-Mar-23	3.09	-	-	-
	31-Mar-22	11.15	-	-	-
Hyacinth Hotels Private Limited	31-Mar-23	1.46	-	-	-
	31-Mar-22	1.09	-	-	-
Others	31-Mar-23	0.11	-	-	-
	31-Mar-22	1.96	-	-	-
Amount received by the Company on behalf of the Party					
Hyacinth Hotels Private Limited	31-Mar-23	8.58	-	-	-
	31-Mar-22	89.01	-	-	-
Manakin Resorts Private Limited	31-Mar-23	4.76	-	-	-
	31-Mar-22	-	-	-	-
Fleur Hotels Private Limited	31-Mar-23	33.93	-	-	-
	31-Mar-22	63.38	-	-	-
Others	31-Mar-23	1.39	-	-	-
	31-Mar-22	1.54	-	-	-
Loans (given)					
Canary Hotels Private Limited	31-Mar-23	75.00	-	-	-
	31-Mar-22	1,497.92	-	-	-
Totally Foxed Solutions Private Limited	31-Mar-23	445.00	-	-	-
	31-Mar-22	-	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-23	221.55	-	-	-
	31-Mar-22	219.00	-	-	-
Sukhsagar Complexes Private Limited	31-Mar-23	1,055.00	-	-	-
	31-Mar-22	241.00	-	-	-
Others	31-Mar-23	122.00	-	-	-
	31-Mar-22	6.11	-	-	-
Repayment of Loan Given					
Canary Hotels Private Limited	31-Mar-23	120.00	-	-	-
	31-Mar-22	1,422.52	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-23	287.78	-	-	-
	31-Mar-22	118.00	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel	Associate
Sukhsagar Complexes Private Limited	31-Mar-23	850.00	-	-
	31-Mar-22	31.00	-	-
Others	31-Mar-23	10.00	-	-
	31-Mar-22	14.75	-	-
Services obtained				
Grey Fox Project Management Company Private Limited	31-Mar-23	-	-	-
	31-Mar-22	103.68	-	-
Valerian Management Services Private Limited	31-Mar-23	-	-	-
	31-Mar-22	28.40	-	-
Lease Rent Paid (Gross)				
Hyacinth Hotels Private Limited	31-Mar-23	228.37	-	-
	31-Mar-22	233.79	-	-
Rent Received (Gross)				
Carnation Hotels Private Limited	31-Mar-23	-	-	-
	31-Mar-22	4.89	-	-
Mind leaders Learning India Private Limited	31-Mar-23	-	-	12.01
	31-Mar-22	-	-	2.73
Pelican Facilities Management Private Limited	31-Mar-23	-	-	6.07
	31-Mar-22	-	-	-
Reimbursement of expenses incurred on Company's behalf				
Hyacinth Hotels Private Limited	31-Mar-23	351.72	-	-
	31-Mar-22	226.82	-	-
Remuneration paid				
Mr. Patanjali Govind Keswani	31-Mar-23	-	349.93	-
	31-Mar-22	-	185.96	-
Mr. Kapil Sharma	31-Mar-23	-	95.33	-
	31-Mar-22	-	92.70	-
Mr. Nikhil Sethi	31-Mar-23	-	45.89	-
	31-Mar-22	-	34.86	-
Sitting Fee paid				
Mr. Arvind Singhania	31-Mar-23	-	0.25	-
	31-Mar-22	-	0.25	-
Mr. Ashish Kumar Guha	31-Mar-23	-	0.70	-
	31-Mar-22	-	1.25	-
Mrs. Freyan Jamshed Desai	31-Mar-23	-	1.85	-
	31-Mar-22	-	2.00	-
Dr. Arindam Kumar Bhattacharya	31-Mar-23	-	1.25	-
	31-Mar-22	-	-	-
Mr Paramartha Saikia	31-Mar-23	-	1.90	-
	31-Mar-22	-	1.75	-
Mr. Pradeep Mathur	31-Mar-23	-	0.90	-
	31-Mar-22	-	1.60	-
Mr. Niten Malhan	31-Mar-23	-	1.50	-
	31-Mar-22	-	1.80	-
Interest Received				
Grey Fox Project Management Company Private Limited	31-Mar-23	6.35	-	-
	31-Mar-22	0.98	-	-
Carnation Hotels Private Limited	31-Mar-23	-	-	-
	31-Mar-22	0.19	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel	Associate
Totally Foxed Solutions Private Limited	31-Mar-23	0.81	-	-
	31-Mar-22	-	-	-
Purchase of Shares				
Carnation Hotels Private Limited	31-Mar-23	1,889.01	-	-
	31-Mar-22	-	-	-
Totally Foxed Solutions Private Limited	31-Mar-23	801.00	-	-
	31-Mar-22	-	-	-
Fleur Hotels Private Limited (purchase of compulsory convertible preference shares)	31-Mar-23	10,898.41	-	-
	31-Mar-22	-	-	-
Canary Hotels Private Limited in Equity Shares	31-Mar-23	-	-	-
	31-Mar-22	1,400.00	-	-
Redemption of Preference Shares				
Carnation Hotels Private Limited	31-Mar-23	350.00	-	-
	31-Mar-22	-	-	-
Management Fees Received				
Fleur Hotels Private Limited	31-Mar-23	3,736.88	-	-
	31-Mar-22	1,566.67	-	-
Hyacinth Hotels Private Limited	31-Mar-23	766.63	-	-
	31-Mar-22	292.63	-	-
Berggruen Hotels Private Limited	31-Mar-23	553.36	-	-
	31-Mar-22	213.77	-	-
IORA Hotels Private Limited	31-Mar-23	1,629.00	-	-
	31-Mar-22	891.00	-	-
Others	31-Mar-23	639.42	-	-
	31-Mar-22	225.61	-	-
Trademark/License Fee (Gross)				
Carnation Hotels Private Limited	31-Mar-23	14.02	-	-
	31-Mar-22	17.70	-	-
Training Fees Paid				
Mind Leaders Learning India Private Limited	31-Mar-23	-	-	7.54
	31-Mar-22	-	-	23.03
Balances outstanding at the year end				
A) Trade Receivable				
Fleur Hotels Private Limited	31-Mar-23	2,551.37	-	-
	31-Mar-22	1,767.87	-	-
Celsia Hotels Private Limited	31-Mar-23	254.12	-	-
	31-Mar-22	33.20	-	-
Berggruen Hotels Private Limited	31-Mar-23	212.80	-	-
	31-Mar-22	195.70	-	-
IORA Hotels Private Limited	31-Mar-23	1,759.32	-	-
	31-Mar-22	962.27	-	-
Others	31-Mar-23	379.08	-	16.19
	31-Mar-22	172.24	-	-
B) Loan to Subsidiaries				
Grey Fox Project Management Company Private Limited	31-Mar-23	122.07	-	-
	31-Mar-22	0.07	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-23	102.77	-	-
	31-Mar-22	169.00	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel	Associate
Sukhsagar Complexes Private Limited	31-Mar-23	415.00	-	-
	31-Mar-22	210.00	-	-
Totally Foxed Solutions Private Limited	31-Mar-23	435.00	-	-
	31-Mar-22	-	-	-
Canary Hotels Private Limited	31-Mar-23	46.91	-	-
	31-Mar-22	91.91	-	-
Others	31-Mar-23	18.11	-	-
	31-Mar-22	18.11	-	-
C) Advance Recoverable				
Mind leaders Learning India Private Limited	31-Mar-23	-	-	11.42
	31-Mar-22	-	-	15.00
D) Trade Payable				
Hyacinth Hotels Private Limited	31-Mar-23	29.53	-	-
	31-Mar-22	11.90	-	-
Others	31-Mar-23	-	0.85	-
	31-Mar-22	-	1.19	-
E) Security Deposits (Undiscounted)				
Hyacinth Hotels Private Limited	31-Mar-23	3,850.00	-	-
	31-Mar-22	3,850.00	-	-
Guarantees given for Loan Taken By				
Fleur Hotels Private Limited	31-Mar-23	85,302.00	-	-
	31-Mar-22	85,302.00	-	-
Canary Hotels Private Limited	31-Mar-23	2,350.00	-	-
	31-Mar-22	2,350.00	-	-
Hyacinth Hotels Private Limited	31-Mar-23	8,605.00	-	-
	31-Mar-22	8,605.00	-	-
Sukhsagar Complexes Private Limited	31-Mar-23	4,300.00	-	-
	31-Mar-22	4,300.00	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-23	2,500.00	-	-
	31-Mar-22	2,500.00	-	-
Carnation Hotels Private Limited	31-Mar-23	1,900.00	-	-
	31-Mar-22	1,900.00	-	-

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 unsecured and settlement occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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)

	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
₹ in lakhs				
Financial Assets				
Trade Receivables	-	6,472.27	-	3,819.32
Security Deposits (non-current)	-	1,908.24	-	1,732.90
Security Deposits (current)	-	0.68	-	0.68
Fixed Deposits under Lien	-	96.93	-	112.44
Cash and Cash Equivalents	-	792.25	-	1,566.64
Interest accrued on deposit with banks and related party	-	95.66	-	95.98
Loans (non-current)	-	30.00	-	41.21
Loans (current)	-	1,139.86	-	489.09
Investments	0.19	-	766.94	-
Total Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)	0.19	10,535.89	766.94	7,858.26

Note: The financial assets above do not include investments in subsidiaries and associates which are measured at cost in accordance with Ind AS 27.

b. Financial Liabilities

	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
₹ in lakhs				
Financial Liabilities				
Borrowings (Non Current)	-	29,765.11	-	30,094.22
Borrowings (Current)	-	7,304.78	-	4,078.79
Trade Payables	-	3,137.59	-	2,863.88
Lease Liability (Non Current)	-	16,766.03	-	16,783.88
Lease Liability (Current)	-	294.35	-	300.25
Other Current Financial Liabilities	-	43.94	-	104.63
Total Financial Liabilities		57,311.80		54,225.65

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 categorises 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:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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.

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, 2023			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.19	0.19
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	-	-
Investment in Quoted Mutual Funds	-	-	-	-
Total	-	-	0.19	0.19

	₹ 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	766.94

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, 2023 and March 31, 2022 are as shown below:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 2023: Nil 31 March 2022: 11.22% - 12.12%
		Expected dividends	31 March 2023: Nil 31 March 2022: 0% - 5%

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, 2023	March 31, 2022
Variable rate borrowings	36,840.13	33,925.56
Fixed rate borrowings	229.76	247.45

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	
	Increase/decrease in basis points	Effect on profit before tax
March 31, 2023		
Floating rate borrowing	50	(161.81)
Floating rate borrowing	(50)	161.81
March 31, 2022		
Floating rate borrowing	50	(194.93)
Floating rate borrowing	(50)	194.93

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Company does not hold collateral as security.

Reconciliation of provision for doubtful debts – Trade receivables (including provision for expected credit loss)

Particulars	₹ In lakhs	
	March 31, 2023	March 31, 2022
As at beginning	146.32	187.64
Addition during the year	-	-
Reversal during the year	-	(41.32)
Utilised during the year	-	-
As at closing	146.32	146.32

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, 2023 and March 31, 2022 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, 2023, the Company had no available (March 31, 2022: Nil) undrawn committed borrowing facilities.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2023	₹ in lakhs					Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	
Borrowings*	1,809.02	879.71	4,637.10	22,040.90	7,822.92	37,189.65
Trade and other payables	3,137.59	-	-	-	-	3,137.59
Financial Liabilities	43.94	-	-	-	-	43.94
	4,990.55	879.71	4,637.10	22,040.90	7,822.92	40,371.18

Year ended March 31, 2022	₹ in lakhs					Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	
Borrowings *	0.19	805.62	3,301.64	23,429.84	6,736.01	34,273.30
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	37,241.81

* represents un-discounted cashflows

The table provides details regarding the contractual maturities of lease liabilities on undiscounted basis

Particulars	₹ In lakhs	
	March 31, 2023	March 31, 2022
Minimum Lease Payments:		
Not later than one year	1,603.59	1,555.49
Later than one year but not later than five years	6,846.34	6,632.24
Later than five years	41,067.31	42,885.01
Total	49,517.24	51,072.74

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.

	₹ In lakhs	
	March 31, 2023	March 31, 2022
Borrowings (Net of Processing Fee)	37,069.89	34,173.01
Trade payables	3,137.59	2,863.88
Less: cash and cash equivalents	792.25	1,566.64
Net debt	39,415.23	35,470.25
Total capital	107,028.12	98,807.02
Capital and net debt	146,443.35	134,277.28
Gearing ratio	27%	26%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

37. Amendements/Standards notified but not yet effective

- a) The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are applicable for annual reporting periods beginning from April 01, 2023, as below:

Ind AS 1 – Presentation of Financial Statements- This amendment require companies to disclose their material accounting policies information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect to have any significant impact in its financial statements due to this amendment.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors- This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The Company does not expect to have any significant impact in its financial statements due to this amendment.

Ind AS 12 – Income Taxes- The amendment has narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect to have any significant impact in its financial statements due to this amendment.

Other amendements- Other amendements include amendments in Ind AS 102, Share-based Payments, Ind AS 103, Business Combination, Ind AS 109, Financial Instruments, Ind AS 115, Revenue from Contract with Customers, are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact in its financial statements due to these amendements.

- 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, 2023

38. Ratio Analysis and its elements

S. No.	Ratio	Numerator	Denominator	March 2023	March 2022	% Variance	Reason for variance
1	Current Ratio	Current Asset	Current liabilities	0.80	1.00	(20.56%)	NA
2	Debt Equity Ratio	Total Debt	Shareholder equity	0.35	0.35	0.14%	NA
3	Debt service coverage Ratio	Earnings available for debt service	Debt service	1.47	0.61	140.22%	Increase in profitability levels as compared to previous year
4	Return on Equity	Net profit after taxes	Average shareholders equity	7.81%	(1.61%)	584.21%	Increase in profitability levels as compared to previous year
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory (excluding Stores, cutlery, crockery, linen)	17.82	10.93	63.04%	Increase in profitability levels as compared to previous year
6	Trade Receivable turnover Ratio	Net total sales	Avg. accounts receivable	6.03	2.24	169.34%	Increase in profitability levels as compared to previous year
7	Trade Payables turnover Ratio	Net credit purchase	Average Trade Payable	NA	NA	NA	Not applicable to the company considering nature of business of the Company
8	Net capital Turnover Ratio	Net Sales	Working capital	(12.13)	1,496.98	(101.81%)	Decrease due to increase in working capital requirements
9	Net Profit Ratio	Net Profit	Net sales	25.90%	(12.43%)	308.41%	Increase in profitability levels as compared to previous year
10	Return on capital employed	EBIT	Capital employed	10.7%	1.7%	549.38%	Increase in profitability levels 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 amortisations + Interest + other adjustments like loss on sale of Fixed assets etc which are non cash in nature
- (ii) Debt Service = Interest & Lease Payments + Principal Repayments (excluding prepayments)
- (iii) Capital Employed = Networth+ Total Debt+Deferred Tax Liability-Net Intangible aseets
- (iv) Working Capital = Current Assets - Current liabilities
- (v) EBIT = Earning before interest, taxes and exceptional items

Notes to Standalone Financial Statements

for the year ended March 31, 2023

39. Segment Reporting

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

Information about major customers

No customer individually accounted for more than 10% of the revenue.

- 40.** During earlier year, the Company had issued equity shares to APG Strategic Real Estate Pool N.V. (‘the investor’) and the investor had 41.09% (March 31, 2022 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 may take over the building at ‘Book values’, as defined in the aforesaid agreement in case the agreement is not extended further.
- 42.** The Company has filed second motion Application with NCLT on January 31, 2023 w.r.t the Scheme of Amalgamation (“Scheme”) of Wholly Owned Subsidiary(ies) of the Company viz. Valerian Management Services Private Limited (“Transferor Company No. 1”), Grey Fox Project Management Company Private Limited (“Transferor Company No. 2”), PSK Resorts & Hotels Private Limited (“Transferor Company No. 3”) and Dandelion Hotels Private Limited (“Transferor Company No. 4”) with Lemon Tree Hotels Limited (“Transferee Company”) and final date of hearing is fixed for 9th June, 2023. On the approval of Scheme by NCLT, Transferor Company(ies) shall be amalgamated with the Company w.e.f April 1, 2022 (Appointed date of Scheme).

43. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

	₹ In lakhs	
	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	406.28	206.18
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 Standalone Financial Statements

for the year ended March 31, 2023

- 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.
- (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 on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali Govind Keswani

Kapil Sharma

Nikhil Sethi

Place: New Delhi (Chairman & Managing Director) (Chief Financial Officer) (AVP Legal & Group Company Secretary)
Date: May 30, 2023 DIN:00002974 Mem. No.-A18883



REGISTERED & CORPORATE OFFICE
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