

refreshingly different



May 29, 2020

**National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400051**

**BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001**

NSE Scrip Symbol: LEMONTREE

BSE Scrip Code: 541233

Re: Outcome of the Board Meeting

We wish to inform you that the Board of Directors of Lemon Tree Hotels Limited (the "Company") at its meeting held today at 04.30 p.m and concluded at 10.30 p.m, has, inter-alia, approved the Audited (Standalone & Consolidated) Financial Results for the quarter & year ended March 31, 2020 and took on record the Auditor's Report thereon.

A copy of:

- A) Audited financial results(Standalone & Consolidated) for the quarter & year ended March 31, 2020; and
- B) Auditor's Report on Financial Results (Standalone & Consolidated)

as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, alongwith Investor presentation are enclosed herewith.

This is for your information and record.

Thanking You

For **Lemon Tree Hotels Limited**

A handwritten signature in black ink, appearing to read "Nikhil Sethi", with a horizontal line underneath it.

**Nikhil Sethi
Group Company Secretary & GM Legal
and Compliance Officer**

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED
FINANCIAL RESULTS AND REVIEW OF QUATERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
LEMON TREE HOTELS LIMITED**

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020 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"), and its share of the loss and total comprehensive loss of its associates for the quarter and year ended March 31, 2020, ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financials statement referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2020:

- (i) includes the results of the following entities as specified in Annexure 1 of this report;
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss and consolidated total comprehensive loss and other financial information of the Group for the year ended March 31, 2020.

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**Deloitte
Haskins & Sells LLP**

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended
March 31, 2020**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the audit reports for the year ended March 31, 2020 of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Consolidated Financial Results for the year ended
March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group and 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 Results for the year ended March 31, 2020 under the provisions of the Act and the Rules 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 Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Attention is invited to Note 10 of the consolidated financial results which sets out the Group's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation. Based on these assessments, the management has concluded that the Group will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2020.

Our opinion is not modified in respect of this matter.

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Deloitte Haskins & Sells LLP

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net loss and consolidated other comprehensive loss and other financial information of the Group including its associates in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 the 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 respective financial results 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 this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 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 this Consolidated Financial Results.

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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 Annual Consolidated Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Results 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 Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group and its associates to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For entities included in the Annual Consolidated Financial Results, 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.

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Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results 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 Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results 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.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

As part of our annual audit we also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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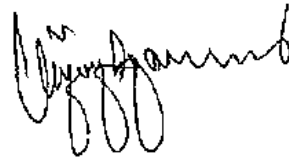
Other Matters

- As stated in Note 2 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our opinion on the Statement is not modified in respect of this matter.
- We did not audit the financial statements of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the standalone audited financial statements of the entity included in the Group whose financial statements reflect total assets of Rs. 567.86 lacs as at March 31, 2020 and total revenues of Rs Nil and Rs. 0.05 lacs for the quarter and year ended March 31, 2020 respectively, total net loss after tax of Rs 0.06 lacs and Rs. 0.07 lacs for the quarter and year ended March 31, 2020 respectively and total comprehensive loss of Rs 0.06 lacs and Rs. 0.07 lacs for the quarter and year ended March 31, 2020 respectively and net cash outflows of Rs. 84.30 lacs for the year ended March 31, 2020, as considered in the respective standalone audited financial statements of the entity included in the Group. The financial statements of this trust has been audited, by other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this trust, is based solely on the report of such other auditor and the procedures performed by us as stated under Auditor's Responsibilities section above.
- We did not audit the financial statements of 22 subsidiaries and 1 Limited Liability Partnership Firm included in the consolidated financial results, whose financial statements reflect total assets of Rs. 146,271 lacs as at March 31, 2020 and total revenues of Rs. 7,245 lacs and Rs. 20,397.83 lacs for the quarter and year ended March 31, 2020 respectively, total net profit after tax of Rs. 1,472 lacs and Rs. 2,823.58 lacs for the quarter and year ended March 31, 2020 respectively and total comprehensive income of Rs 1,467.71 lacs and Rs. 2,824.12 lacs for the quarter and year ended March 31, 2020 respectively and net cash outflow of Rs. 966.31 lacs for the year ended March 31, 2020, as considered in the Statement. The consolidated financial results also includes the Group's share of loss after tax of Rs. 31.43 lakhs and profit after tax of Rs. 152.39 lacs for the quarter and year ended March 31, 2020 respectively, as considered in the Statement, in respect of 3 associates, 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 Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Limited Liability Partnership Firm, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

**Deloitte
Haskins & Sells LLP**

Our opinion on the Statement 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W100018)



Vijay Agarwal

Partner
Membership No. 094468
UDIN: 20094468AAAACM4348

Place: New Delhi
Date: May 29, 2020

Annexure – I TO INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

(Referred to in paragraph a (i) under the Opinion and Conclusion section of Independent Auditor's Report on Audit of Annual Consolidated Financial Results and Review of Quarterly Financial Results of even date)

S.No	Name of the entity	Relationship
1.	Lemon Tree Hotels Limited	Parent Company
2.	Fleur Hotels Private Limited	Subsidiary company
3.	Hyacinth Hotels Private Limited	Subsidiary company
4.	PSK Resorts and Hotels Private Limited	Wholly owned subsidiary company
5.	Canary Hotels Private Limited	Wholly owned subsidiary company
6.	Sukhsagar Complexes Private Limited	Wholly owned subsidiary company
7.	Oriole Dr Fresh Hotels Private Limited	Wholly owned subsidiary company
8.	Grey Fox Project Management Company Private Limited	Wholly owned subsidiary company
9.	Dandelion Hotels Private Limited	Wholly owned subsidiary company
10.	Lemon Tree Hotel Company Private Limited	Wholly owned subsidiary company
11.	Red Fox Hotel Company Private Limited	Wholly owned subsidiary company
12.	Poplar Homestead Holdings Private Limited	Wholly owned subsidiary company
13.	Madder Stays Private Limited	Wholly owned subsidiary company
14.	Jessamine Stays Private Limited	Wholly owned subsidiary company
15.	Nightingale Hotels Private Limited	Subsidiary company
16.	Manakin Resorts Private Limited	Subsidiary company
17.	Begonia Hotels Private Limited	Subsidiary company
18.	Celsia Hotels Private Limited	Subsidiary company

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19.	Inovoa Hotels and Resorts Limited	Subsidiary company
20.	Iora Hotels Private Limited	Subsidiary company
21.	Ophrys Hotels Private Limited	Subsidiary company
22.	Bandhav Resorts (P) Limited	Subsidiary company
23.	Valerian Management Services Private Limited	Subsidiary company
24.	Carnation Hotels Private Limited	Subsidiary company
25.	Berggruen Hotels Private Limited	Subsidiary company
26.	Mind Leaders Learning India Private Limited	Associate company
27.	Pelican Facilities Management Private Limited	Associate company
28.	Glendale Marketing Services Private Limited	Associate company
29.	Hamstede Living Private Limited	Associate company
30.	Mezereon Hotels LLP	Limited Liability Partnership Firm
31.	Krizm Hotel Private Limited Employee Welfare Trust	Trust

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Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2020

(₹ In Lakhs, except per share data)

	Quarter ended			Year Ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Unaudited) (Refer Note 2)	(Unaudited)	(Unaudited) (Refer Note 2)	(Audited)	(Audited)
1 Income					
Revenue from operations	17,613.01	19,961.69	15,052.94	66,943.74	54,950.62
Other income	41.42	317.81	255.05	578.28	993.17
Total income	17,654.43	20,279.50	15,307.99	67,522.02	55,943.79
2 Expenses					
Cost of food and beverages consumed	1,462.05	1,674.14	1,340.06	5,696.78	4,982.31
Employee benefit expenses	4,288.18	4,206.66	3,185.23	15,532.26	12,053.05
Power and fuel	1,452.61	1,598.81	1,262.65	6,133.58	5,269.77
Rent (Refer Note 4)	199.10	214.24	690.52	795.86	2,922.22
Other expenses (Refer Note 4)	3,816.91	4,147.80	3,682.54	14,951.41	12,846.77
Total expenses	11,218.85	11,841.65	10,161.00	43,109.89	38,074.12
3 Profit before depreciation and amortization, finance cost, finance income (1-2)	6,435.58	8,437.85	5,146.99	24,412.13	17,869.67
4 Finance cost (Refer Note 4)	4,948.57	4,587.91	2,380.24	16,155.57	8,469.63
5 Finance income	(73.96)	(67.54)	(146.26)	(508.54)	(458.52)
6 Depreciation and amortization expense (Refer Note 4)	2,773.67	2,269.44	1,432.04	8,716.12	5,411.48
7 Net (loss)/profit before tax before share of associates (3-4-5-6)	(1,212.70)	1,648.04	1,480.97	48.98	4,447.08
8 Add: Share of (Loss)/Profit of associates	(133.64)	(84.37)	(55.77)	(266.66)	79.66
9 (Loss)/Profit before tax (7+8)	(1,346.34)	1,563.67	1,425.20	(217.68)	4,526.74
10 Tax expense					
Current tax/MAT	192.01	495.37	507.22	990.43	1,384.77
Deferred tax					
- MAT Credit entitlement related to current year	(151.24)	(342.07)	691.76	(689.98)	(999.92)
- MAT Credit entitlement related to earlier year	(11.18)	(2.95)	-	4.40	(1,301.30)
- Deferred tax expense related to current year	526.13	305.17	-	782.92	1,645.28
- Deferred tax asset not recognized in earlier years	-	-	(3,141.27)	-	(1,839.97)
11 Net (loss)/profit after tax (9-10)	(1,902.06)	1,108.15	3,367.49	(1,305.45)	5,637.88
12 Other Comprehensive Income/(Expenses)					
Items that will not be reclassified to profit and loss					
Remeasurements of defined benefit plans	10.34	(1.94)	(10.41)	1.42	(11.91)
Income tax effect	(2.04)	0.47	2.99	(0.18)	3.18
13 Total comprehensive (Loss)/Income	(1,893.76)	1,106.68	3,360.07	(1,304.20)	5,629.15
14 (Loss)/Profit	(1,902.06)	1,108.15	3,367.49	(1,305.45)	5,637.88
Attributable to:					
Equity holders of the parent	(1,791.54)	1,219.94	3,245.56	(953.70)	5,287.83
Non-controlling interests	(110.52)	(111.79)	121.93	(351.75)	350.05
15 Total comprehensive (Loss)/Income	(1,893.76)	1,106.68	3,360.07	(1,304.20)	5,629.15
Attributable to:					
Equity holders of the parent	(1,778.12)	1,217.54	3,235.15	(949.17)	5,277.15
Non-controlling interests	(115.64)	(110.86)	124.92	(355.03)	352.00
16 Total comprehensive (Loss)/Income for the year after non-controlling interest	(1,778.12)	1,217.54	3,235.15	(949.17)	5,277.15
17 Paid-up equity share capital (Face value of the share ₹ 10/-)	79,031.44	79,024.81	78,929.55	79,031.44	78,929.55
18 Other Equity(including non-controlling interest)				75,444.67	51,791.26
19 Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter periods is not annualised)					
Basic	(0.23)	0.15	0.41	(0.12)	0.67
Diluted	(0.23)	0.15	0.41	(0.12)	0.67



Notes:

1. The Consolidated financial results for the Quarter are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
2. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results at their respective meetings held on May 29, 2020. Figures for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between audited figures in respect of the full financial years and the unaudited figures upto the third quarter ended December 31, for respective years, which were subjected to limited review.
3. The Hon'ble National Company Law Tribunal, New Delhi has approved the merger of Meringue Hotels Private Limited (Transferor Company), owning a hotel "Lemon Tree Premier, Mumbai" with Fleur Hotels Private Limited (Transferee Company) vide its order dated 21st January, 2020. The Scheme of Amalgamation has become effective from 31st January, 2020 and the appointed date is 1st April, 2019.
4. Ind AS 116 "Leases" has become applicable effective annual reporting period beginning April 01, 2019. The Group has adopted the standard beginning April 01, 2019 using the modified retrospective approach for transition. Accordingly, the group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as at April 01, 2019. This has resulted in recognition of Right-to-Use asset of ₹ 32,021.41 lakhs and Lease Liability of ₹ 42,512.92 lakhs.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortization expenses" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent"/"Other expenses", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods. This has also resulted in change in cash flow from operating and financing activities for relevant expenses.

To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of profit and loss for the quarter and year ended March 31, 2020 is as under:

(₹ In Lakhs)

Adjustments to increase/(decrease) in net profit	Quarter ended March 31, 2020 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Quarter ended March 31, 2020 as reported
Rent	968.82	(769.72)	199.10
Other expenses	3,941.40	(124.49)	3,816.91
Depreciation and amortization expense	2,402.12	371.55	2,773.67
Finance cost	3,973.61	974.96	4,948.57
Profit/(Loss) before tax	(894.04)	(452.30)	(1,346.34)
Less: Tax expense	674.60	(118.87)	555.73
Profit/(Loss) after tax	(1,568.63)	(333.43)	(1,902.06)

(₹ In Lakhs)

Adjustments to increase/(decrease) in net profit	Year ended March 31, 2020 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Year ended March 31, 2020 as reported
Rent	3,636.14	(2,840.28)	795.86
Other expenses	15,430.69	(479.28)	14,951.41
Depreciation and amortization expense	7,317.72	1,398.40	8,716.12
Finance cost	12,491.57	3,664.00	16,155.57
Profit/(Loss) before tax	1,525.16	(1,742.84)	(217.68)
Less: Tax expense	1,550.09	(462.31)	1,087.78
Profit/(Loss) after tax	(24.92)	(1,280.53)	(1,305.45)

5. The Board of Directors of Fleur Hotels Private Limited, material subsidiary of Company have approved the Scheme of Amalgamation of Begonia Hotels Private Limited (Transferor Company 1), Nightingale Hotels Private Limited (Transferor Company 2) with Fleur Hotels Private Limited (Transferee). The scheme has been electronically filed with National Company Law Tribunal, New Delhi (NCLT). After approval of the Scheme by NCLT, the Transferor Company 1 & Transferor Company 2 shall be amalgamated in Fleur Hotels Private Limited w.e.f April 1, 2019 (Appointed date of the Scheme).

6. The paid up share capital of the Company excludes 19,31,991 (March 31, 2019: 29,50,893) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

7. Fleur Hotels Private Limited, subsidiary of the Company has acquired 100% shareholding (representing 5,45,51,616 shares) of Berggruen Hotels Private Limited ("BHPL") on November 01, 2019 ("Closing date"). The net consideration paid to Berggruen Investments, Mauritius (Seller) by Fleur Hotels Private Limited is ₹ 49,504.15 lakhs (funded partly through issuance of CCPS and partly from internal accruals) and outstanding term loan in BHPL as on closing date is ₹ 10,388.29 lakhs. The revenue and expenses of Berggruen Hotels Private Limited for the 5 months period ended March 31, 2020 have been consolidated and included in the above consolidated financial results. Resultantly, the figures for the current periods are not comparable with the previous periods.



8. Statement of Consolidated Assets and Liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	265,180.14	158,942.55
(b) Capital work-in-progress	18,956.64	66,386.54
(c) Investment Property	236.93	241.33
(d) Intangible assets	2,431.48	517.47
(e) Right to use asset (Refer Note 4)	33,868.58	-
(f) Goodwill on consolidation	9,508.46	676.05
(g) Financial assets		
(i) Investments	959.51	625.86
(ii) Loans	118.88	171.11
(iii) Other non-current financial assets	5,965.49	5,249.31
(h) Deferred tax assets (net)	438.47	2,035.21
(i) Non-current tax assets (net)	3,265.19	1,863.93
(j) Other non-current assets	19,424.06	20,818.29
	360,353.83	257,527.65
Current assets		
(a) Inventories	821.76	598.37
(b) Financial assets		
(i) Trade receivables	5,027.09	8,441.92
(ii) Cash and Cash equivalents	4,081.73	3,139.70
(iii) Investments	441.37	2,866.79
(iv) Other current financial assets	434.91	339.09
(c) Other current assets	5,114.62	4,270.48
	15,921.48	19,656.35
Total Assets	376,275.31	277,184.00



(₹ In Lakhs)

Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
Equity And Liabilities		
Equity		
(a) Share capital	79,031.44	78,929.55
(b) Other Equity	3,267.73	8,572.84
Equity attributable to owners of the parent	82,299.17	87,502.39
(c) Non-controlling interests	72,176.94	43,218.43
Total Equity	154,476.11	130,720.82
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	145,089.51	113,473.11
(ii) Lease liability (Refer Note 4)	46,188.08	-
(iii) Other non-current financial liabilities	-	275.74
(b) Long term provisions	240.28	173.38
(c) Other non-current liabilities	-	3,346.79
	191,517.87	117,269.02
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,957.53	122.06
(ii) Lease liability (Refer Note 4)	77.54	-
(iii) Trade payables	4,201.91	9,577.14
(iv) Other current financial liabilities (Refer Note 9)	17,100.35	16,451.66
(b) Provisions	425.38	380.53
(c) Other current liabilities	2,518.62	2,662.77
	30,281.33	29,194.16
Total Liabilities	221,799.20	146,463.18
Total Equity and Liabilities	376,275.31	277,184.00



9. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and May 22, 2020 and in accordance therewith, the Company has opted for a moratorium of six months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020. Accordingly, the liability classification has changed from current liability to non-current liability as the current liability has been reduced by the amount to be paid for the moratorium period and non current liabilities has been increased.

10. COVID-19 pandemic has impacted and continues to impact business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures. With respect to operations of the Group, it has impacted its business by way of reduction in occupancy of hotels and average realization rate per room starting from the month of March 2020 and management has undertaken/is undertaking various cost savings initiatives to conserve cash. In May 2020, 70% of the Group's hotels have been operational at 40% occupancy rate mainly due to accommodation taken by foreign nationals staying in India, IT companies and hospitals and for their staff. In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment (PPE), trade receivables and investments in associates (investments) as at the balance sheet date. In this regard, the Management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing estimates on the basis of all available information in its assessment of impact thereof on its financial reporting. While assessing the recoverable amount of PPE and investments, the Group has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital. The Group appointed independent valuer to assess fair values of significant hotel properties owned independently, which covered approximately 60% of value of PPE of the Group. Based on aforesaid assessment, management believes that the Group will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its aforesaid assets as on March 31, 2020. Management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of these financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.



11. Statement of Consolidated Cash flow

(₹ In Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Audited)	(Audited)
Profit/(loss) before tax	(217.68)	4,526.74
Operating profit before working capital changes	24,126.75	17,541.42
Net cash flow from operating activities (A)	14,832.70	18,666.77
Net Cash flow used in investing activities (B)	(60,556.17)	(28,945.83)
Net Cash flow from financing activities (C)	45,667.08	11,315.80
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(56.40)	1,036.74
Cash and cash equivalents at the beginning of the year	3,139.70	2,102.96
Cash and cash equivalents acquired on inclusion of new subsidiary	998.43	-
Cash and cash equivalents at the end of year	4,081.73	3,139.70

12. The disclosure is an extract of the audited Statement of Cash flows for the year ended March 31, 2020 and March 31, 2019 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

13. The Group is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

Wb

By order of the Board
for Lemon Tree Hotels Limited



Patanjali G. Keswani
(Chairman & Managing Director)

Place : New Delhi
Date : May 29, 2020

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
LEMON TREE HOTELS LIMITED**

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020 of **Lemon Tree Hotels Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the audit reports of the other auditor on separate financial statement referred in other matters section below, the Standalone Financial Results for the year ended March 31, 2020:

- (i) includes the results of entities as specified in Annexure 1 of this report;
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.



**Deloitte
Haskins & Sells LLP**

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended
March 31, 2020**

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the audit reports of the other auditors as referred in Other Matters section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Standalone Financial Results for the year ended
March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules 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 is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Attention is invited to Note 9 of the standalone financial results which sets out the Company's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation. Based on these assessments, the management has concluded that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2020.

Our opinion is not modified in respect of this matter.



Deloitte Haskins & Sells LLP

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is 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 this Standalone Financial Results.

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Deloitte Haskins & Sells LLP

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 Annual Standalone Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Company 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 Statement 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results 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 Annual Standalone Financial Results.

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.

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Deloitte Haskins & Sells LLP

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- As stated in Note 2 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.
- We did not audit the financial statements of Krizm Hotels Private Limited Employee Welfare Trust (the "Trust") included in the Statement, whose financial statements reflect total assets of Rs. 567.86 lacs as at March 31, 2020 and total revenues of Rs. Nil and Rs. 0.05 lacs for the quarter and year ended March 31, 2020 respectively, total net loss after tax of Rs. 0.06 lacs and Rs. 0.07 lacs for the quarter and year ended March 31, 2020 respectively and total comprehensive loss of Rs. 0.06 lacs and Rs. 0.07 lacs for the quarter and year ended March 31, 2020, respectively, and net cash outflows of Rs. 84.30 lacs for the year ended March 31, 2020 as considered in the Statement. The financial statements of the trust has been audited by the other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this trust, is based solely on the report of such other auditor and the procedures performed by us as stated under Auditor's Responsibilities section above.

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**Deloitte
Haskins & Sells LLP**

Our opinion on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W100018)



Vijay Agarwal
Partner
Membership No. 094468
UDIN: 20094468AAAAACL8803

Place: New Delhi,
Date: May 29, 2020

**Annexure – I TO INDEPENDENT AUDITOR’S REPORT ON AUDIT OF ANNUAL
STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL
RESULTS**

(Referred to in paragraph a (i) under the Opinion and Conclusion section of Independent Auditor’s

Report on Audit of Annual Standalone Financial Results and Review of Quarterly Financial Results of even
date)

S.No	Name of the entity	Relationship
1.	Lemon Tree Hotels Limited	Parent Company
2.	Krizm Hotels Private Limited Employee Welfare Trust	Trust

Ceb

Lemon Tree Hotels Limited

Regd Office:- Asset No. 6, Aerocity Hospitality District, New Delhi-110037

Tel.: 011-46050101; Fax.: 011-46050110; E-Mail:sectdept@lemontreehotels.com;Website: www.lemontreehotels.com

CIN: L74899DL1992PLC049022

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2020

(₹ In Lakhs, except per share data)

		Quarter ended			Year Ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Unaudited) (Refer Note 2)	(Unaudited)	(Unaudited) (Refer Note 2)	(Audited)	(Audited)
1	Income					
	Revenue from operations	6,205.34	7,588.94	7,336.96	26,957.58	27,332.25
	Other income	23.19	201.83	240.79	366.55	932.00
	Total income	6,228.53	7,790.77	7,577.75	27,324.13	28,264.25
2	Expenses					
	Cost of food and beverages consumed	383.24	440.71	409.93	1,666.71	1,772.58
	Employee benefit expenses	1,502.65	1,514.03	1,465.38	6,148.41	5,764.88
	Power and fuel	431.78	492.85	518.04	2,059.32	2,189.36
	Rent (Refer Note 4)	152.80	173.80	486.13	653.15	2,146.91
	Other expenses	1,209.73	1,403.89	1,634.69	5,890.57	6,355.27
	Total expenses	3,680.20	4,025.28	4,514.17	16,418.16	18,229.00
3	Profit before depreciation and amortization, finance cost, finance income (1-2)	2,548.33	3,765.49	3,063.58	10,905.97	10,035.25
4	Finance cost (Refer note 4)	1,197.86	1,207.66	988.69	4,815.50	3,479.99
5	Finance loss/(income)	(42.84)	57.53	(52.80)	(143.22)	(273.39)
6	Depreciation and amortization expense (Refer note 4)	513.77	485.73	475.15	2,168.93	1,983.75
7	Profit before tax (3-4-5-6)	879.54	2,014.57	1,652.54	4,064.76	4,844.90
8	Tax expense					
	Current tax under MAT	159.46	348.10	350.21	689.98	1,004.79
	Deferred tax					
	- MAT Credit entitlement related to current year	(159.46)	(347.07)	657.08	(689.98)	(999.92)
	- MAT Credit entitlement related to earlier year	-	-	-	-	(1,301.30)
	- Deferred tax expense related to current year	111.86	491.23	(3,141.27)	844.96	1,657.00
	- Deferred tax asset not recognized in earlier years	-	-	-	-	(1,839.97)
9	Net profit after tax (7-8)	767.68	1,522.31	3,786.52	3,219.80	6,324.30
10	Other Comprehensive Income					
	Items that will not be reclassified to profit and loss					
	Re-measurement (loss)/gains on defined benefit plans	26.65	(5.64)	(24.34)	9.72	(22.58)
	Income tax effect	(2.96)	0.99	5.24	-	4.86
11	Total comprehensive income	791.37	1,517.66	3,767.42	3,229.52	6,306.58
12	Paid-up equity share capital (Face value of the share ₹ 10/-)	79,031.44	79,024.81	78,929.55	79,031.44	78,929.55
13	Other Equity				25,345.89	24,205.35
14	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter ended periods is not annualised)					
	Basic	0.10	0.19	0.48	0.41	0.80
	Diluted	0.10	0.19	0.48	0.41	0.80



Notes:

1. The results for the Quarter are not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
2. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results at their respective meetings held on May 29, 2020. Figures for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between audited figures in respect of the full financial years and the unaudited figures upto the third quarter ended December 31, for respective years, which were subjected to limited review.
3. The Hon'ble National Company Law Tribunal, New Delhi has approved the merger of Meringue Hotels Private Limited (Transferor Company), owning a hotel "Lemon Tree Premier, Mumbai" with Fleur Hotels Private Limited (Transferee Company) vide its order dated 21st January, 2020. The Scheme of Amalgamation has become effective from 31st January, 2020 and the appointed date is 1st April, 2019.
4. Ind AS 116 "Leases" has become applicable effective annual reporting period beginning April 01, 2019. The Company has adopted the standard beginning April 01, 2019 using the modified retrospective approach for transition. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this Standard has been recognised as an adjustment to the opening balance of retained earnings as at April 01, 2019. This has resulted in recognition of Right-to-Use asset of ₹ 12,289.09 lakhs and Lease Liability of ₹ 16,508.41 lakhs.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" in previous period to "Depreciation and amortization expenses" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods. This has also resulted in change in cash flow from operating and financing activities for relevant expenses.

To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of profit and loss for the quarter and year ended March 31, 2020 is as under:

(₹ In Lakhs)

Adjustments to increase (decrease) in net profit	Quarter ended March 31, 2020 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Quarter ended March 31, 2020 as reported
Rent	540.59	(387.80)	152.80
Depreciation and amortization expense	379.87	133.90	513.77
Finance cost	810.50	387.36	1,197.86
Profit before tax	1,013.01	(133.46)	879.54
Less: Tax expense	161.34	(49.49)	111.86
Profit after tax	851.67	(84.00)	767.68

(₹ In Lakhs)

Adjustments to increase (decrease) in net profit	Year ended March 31, 2020 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Year ended March 31, 2020 as reported
Rent	2,204.29	(1,551.14)	653.15
Depreciation and amortization expense	1,633.33	535.60	2,168.93
Finance cost	3,266.06	1,549.44	4,815.50
Profit before tax	4,598.66	(533.90)	4,064.76
Less: Tax expense	1,042.88	(197.92)	844.96
Profit after tax	3,555.78	(335.99)	3,219.80

5. The Board of Directors of Fleur Hotels Private Limited, material subsidiary of Company have approved the Scheme of Amalgamation of Begonia Hotels Private Limited (Transferor Company 1), Nightingale Hotels Private Limited (Transferor Company 2) with Fleur Hotels Private Limited (Transferee). The scheme has been electronically filed with National Company Law Tribunal, New Delhi (NCLT). After approval of the Scheme by NCLT, the Transferor Company 1 & Transferor Company 2 shall be amalgamated in Fleur Hotels Private Limited w.e.f April 1, 2019 (Appointed date of the Scheme).

6. The paid up share capital of the Company excludes 19,31,991 (March 31, 2019: 29,50,893) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.



7. Statement of Standalone Assets and Liabilities

(₹ In Lakhs)

Particulars	As at March	As at March
	31, 2020	31, 2019
	(Audited)	(Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	42,190.28	43,243.28
(b) Capital work-in-progress	1,449.78	1,170.49
(c) Investment Property	236.93	241.32
(d) Intangible assets	352.00	339.62
(e) Right to use assets (Refer note 4)	11,753.49	-
(f) Financial assets		
(i) Investments	79,094.44	72,384.52
(ii) Loans	118.88	171.11
(iii) Other non-current financial assets	1,668.29	1,536.29
(g) Deferred tax assets (net)	3,069.57	2,478.78
(h) Non-Current tax assets (net)	1,025.05	777.84
(i) Other non-current assets	4,952.25	5,273.42
	145,910.96	127,616.67
Current assets		
(a) Inventories	233.59	202.61
(b) Financial assets		
(i) Trade receivables	7,979.20	4,966.53
(ii) Cash and Cash equivalents	1,187.83	1,040.60
(iii) Investments	441.37	1,055.85
(iii) Loans	3,498.83	4,717.83
(iv) Other current financial assets	0.68	300.68
(c) Other current assets	2,371.06	2,038.50
	15,712.56	14,322.60
Total Assets	161,623.52	141,939.27



(₹ In Lakhs)

Particulars	As at March	As at March
	31, 2020	31, 2019
	(Audited)	(Audited)
Equity And Liabilities		
Equity		
(a) Share capital	79,031.44	78,929.55
(b) Other Equity	25,345.89	24,205.35
Total Equity	104,377.33	103,134.90
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	28,151.53	28,030.89
(ii) Lease liability (Refer Note 4)	16,574.94	-
(b) Provisions	135.43	98.02
(c) Other non-current liabilities	-	1,269.09
	44,861.90	29,398.00
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,470.36	122.06
(ii) Lease liability (Refer Note 4)	77.54	-
(iii) Trade payables	4,583.53	4,786.89
(iv) Other current financial liabilities (Refer Note 8)	2,228.71	2,919.62
(b) Provisions	157.05	204.28
(c) Other current liabilities	867.10	1,373.52
	12,384.29	9,406.37
Total Liabilities	57,246.19	38,804.37
Total Equity and Liabilities	161,623.52	141,939.27



8. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and May 22, 2020 and in accordance therewith, the Company has opted for a moratorium of six months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020. Accordingly, the liability classification has changed from current liability to non-current liability as the current liability has been reduced by the amount to be paid for the moratorium period and non current liabilities has been increased.

9. COVID-19 pandemic has impacted and continues to impact business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures. With respect to operations of the Company and its subsidiaries (the Group), it has impacted its business by way of reduction in occupancy of hotels and average realization rate per room starting from the month of March 2020 and management has undertaken/is undertaking various cost savings initiatives to conserve cash. In May 2020, 70% of the Company's hotels have been operational at 30% occupancy rate mainly due to accommodation taken by foreign nationals staying in India, IT companies and hospitals and for their staff.

In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment (PPE), trade receivables and investments in subsidiaries and associates (investments) as at the balance sheet date. In this regard, the Management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing estimates on the basis of all available information in its assessment of impact thereof on its financial reporting.

While assessing the recoverable amount of PPE and investments, the Company has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital. The Group appointed independent valuer to assess fair values of significant hotel properties owned independently, which covered approximately 60% of value of PPE of the Group. Based on aforesaid assessment, management believes that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its aforesaid assets as on March 31, 2020.

Management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of these financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.



10. Statement of Standalone Cash flow*(₹ In Lakhs)*

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Audited)	(Audited)
Profit before tax	4,064.77	4,844.90
Operating profit before working capital changes	10,988.04	9,565.90
Net cash flow from operating activities (A)	6,497.05	8,590.58
Net Cash flow used in investing activities (B)	(6,531.60)	(4,615.91)
Net Cash flow used in financing activities (C)	181.78	(3,505.67)
Net increase in cash and cash equivalents (A + B + C)	147.23	469.00
Cash and cash equivalents at the beginning of the year	1,040.60	571.60
Cash and cash equivalents at the end of the year	1,187.83	1,040.60

11. The disclosure is an extract of the audited Statement of Cash flows for the year ended March 31, 2020 and March 31, 2019 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

12. The Company is into Hoteliering business. As the Company operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments.

By order of the Board
for Lemon Tree Hotels Limited



Place : New Delhi
Date : May 29, 2020

Patanjali G. Keswani
(Chairman & Managing Director)

Lemon Tree Hotels Limited

Q4 FY20 Earnings Presentation

29th May, 2020



aurika
HOTELS & RESORTS

UPSCALE


lemon tree
PREMIER

UPPER MIDSCALE


lemon tree
HOTELS

MIDSCALE


redfox
BY LEMON TREE HOTELS

ECONOMY

keys
PRIMA HOTELS

UPPER MIDSCALE

keys
SELECT HOTELS

MIDSCALE

keys
LITE HOTELS

ECONOMY

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Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Lemon Tree Hotels Limited (LTH) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



1	Company Overview
2	Chairman & Managing Director's Message
3	COVID – 19 Update
4	Performance Highlights
5	Financial & Operational Metrics
6	Key Developments / Business Updates
7	Annexures

Lemon Tree – Snapshot as on 15th May, 2020



Current (17% of Branded Mid Market Hotels in India*)

**8,006
rooms;
80 hotels**



Pipeline

**2,697
rooms;
28 hotels**



By CY22 (20% of Branded Mid Market Hotels in India*)





**10,703
rooms;
108 hotels**

Brand	Current	Pipeline	by CY22
Aurika	139 Rooms, 1 Hotel	669 Rooms, 1 Hotel [#]	808 Rooms, 2 Hotels
Lemon Tree Premiere	2,207 Rooms; 15 Hotels	417 Rooms; 5 Hotels	2,624 Rooms; 20 Hotels
Lemon Tree Hotel	2,646 Rooms; 35 Hotels	1,491 Rooms; 20 Hotels	4,137 Rooms; 55 Hotels
Red Fox Hotel	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,503 Rooms; 13 Hotels
Keys	1,591 Rooms; 17 Hotels	40 Rooms; 1 Hotel	1,631 Rooms; 18 Hotels

*Source : Hotelivate – The Ultimate Indian Travel Hospitality Report 2019, Horwah HTL India Market Review 2018

[#]Aurika, Mumbai International Airport is in process of getting approval to increase the number of rooms to 669 rooms in place of the existing approval of 577 rooms.

Key Statistics

		Q4 FY19	Q4 FY20	YoY Var (%)
	Cities	32	48	50%
	Hotels	54	80	48%
	Rooms	5,411	8,006	48%
	Loyalty Members	947,776	1,168,939	23%

Portfolio Breakup as on 15th May 2020 - Operational

Operational Portfolio	Owned		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
15.05.2020								
Aurika	1	139	0	0	0	0	1	139
Lemon Tree Premier	7	1,442	2	161	6	604	15	2,207
Lemon Tree Hotels	13	1,241	4	321	18	1,084	35	2,646
Red Fox Hotels	5	759	2	193	5	471	12	1,423
Keys Prima	0	0	0	0	1	115	1	115
Keys Select	7	936	0	0	7	493	14	1,429
Keys Lite	0	0	0	0	2	47	2	47
Total	33	4,517	8	675	39	2,814	80	8,006

Portfolio Breakup as on 15th May 2020 - Pipeline

In Pipeline	Owned		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
15.05.2020								
Aurika	1	669	0	0	0	0	1	669
Lemon Tree Premier	0	0	0	0	5	417	5	417
Lemon Tree Hotels	1	79	0	0	19	1,412	20	1,491
Red Fox Hotels	0	0	0	0	1	80	1	80
Keys Prima	0	0	0	0	1	40	1	40
Keys Select	0	0	0	0	0	0	0	0
Keys Lite	0	0	0	0	0	0	0	0
Total	2	748	0	0	26	1,949	28	2,697

#Aurika, Mumbai International Airport is in process of getting approval to increase the number of rooms to 669 rooms in place of the existing approval of 577 rooms.

Strategically positioned in key geographies with Lemon Tree share of total branded hotel sector

Jaipur: FY20 – 5.2%
FY24E – 3.5%

Ahmedabad: FY20 – 5.4%
FY24E – 3.3%

Mumbai: FY20 – 3.2%
FY24E – 6.4%

Pune: FY20 – 9.4%
FY24E – 8.4%

Goa: FY20 – 4.9%
FY24E – 4.3%

Bengaluru: FY20 – 6.1%
FY24E – 4.6%

Delhi NCR: FY20 – 6.8%
FY24E – 7.1%

Kolkata: FY20 – 3.8%
FY24E – 2.6%

Hyderabad: FY20 – 9.5%
FY24E – 7.5%

Chennai: FY20 – 1.9%
FY24E – 1.9%



Source : Hotelivate Trends and Opportunities report 2019

Note: The FY24 expected market share has been calculated on the basis of current pipeline on hotels only

Map updated as of 15th May, 2020



Commenting on the performance for Q4 FY20, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

"We began Q4 FY20 on a robust note, witnessing healthy occupancy and increase in ADRs across all segments in the months of January and February. However, the growing concerns around the spread of Covid-19 followed by the nation-wide lockdown announced by the central government impacted the operating environment for hotels significantly. Despite these challenges, on a consolidated basis we have reported better than expected results, with our Q4FY20 revenue from operations increasing by 17% y-o-y led by a 2.8% increase in the ADR and 45.5% increase in the operational inventory. Our EBITDA in Q4 FY20 increased by 12.4% y-o-y on old accounting basis.

Since middle of March we have taken numerous steps related to our business mix and operating expenses when the visible reduction in demand for hotel rooms began. We have tapped into our strong B2B network across industries and ensured that our occupancy remains at sustainable levels. In April, we tied up with leading healthcare chains as well to provide rooms for their doctors and paramedical staff. Furthermore, we are now working with the Government to combat the pandemic, by converting some of our hotels into paid quarantine facilities at lower than normal rates for those flying-in from outside India. Along with these steps, we have immediately executed multi-layered measures to improve our overall operating costs with specific focus on fixed costs. Some of the major cost optimization measures include controlling our electricity and water costs, raw material costs, overhead costs and wage bill. In the wake of the current situation, we have decided not to lay off any of our permanent employees. In order to do so we have undertaken significant salary cuts at the managerial level and above. Overall, we are focused towards rationalizing our operating model, which has enabled us to significantly reduce our operating expenses in the months of April and May by almost 60%. Therefore, even in the midst of the lockdown we broke even at the hotel operating level in April and are poised to do significantly better in May. While we have limited visibility in the near-term, such performance provides us adequate comfort that Lemon Tree with its strong business and proven model will be one of the first to bounce back when things start normalizing over the next year or so.

In the current environment, our major priority is preserving liquidity. Accordingly, we are going to take some immediate steps to strengthen our balance sheet, details of which are given ahead in this presentation. These, we believe, will adequately strengthen our balance sheet and will provide us comfort in continuing our asset light expansion. We are looking at the future in an optimistic and positive manner. While we are currently operating at sub-optimal levels, in the near-term there should be a gradual bounce back as travel restrictions and consumer sentiments are restored. We are confident that our fundamentally strong business model, significant liquidity, our asset-light approach, and our established brand in the hospitality industry will help us successfully weather these challenging times."

Operational Impact

- * Almost 66% of our owned/leased rooms were operational in April following the directives regarding the lockdown released by various state governments.
- * 33.4% occupancy in our operational owned/leased hotels - mostly from quarantine guests, doctors, nurses, healthcare workers and corporate guests for business continuity planning in April 2020
- * Improvement seen in May 2020
- * In May, due to partial lifting of lockdown in some states, 78% of our owned/leased rooms were operational. The occupancy in our operational owned/leased hotels is close to 40%
- * All F&B outlets and Banquets remained shut. However In Room Dining was operational
- * Hotel operations were impacted due to restrictions on movement of employees and supply of raw material & room amenities

Financial Impact

- * Revenue from operations in April 2020 was down by 76% as compared to April 2019. In May 2020, revenue from operations is expected to show an increase of 25% vis-à-vis April 2020 but will be 70% down vis-à-vis May 2019
- * Revenue contribution from F&B outlets and Banquets was negligible except for a minor contribution from In Room Dining.
- * Significant impact on EBITDA due to reduced revenue. However due to significant cost control we expect to break even or register a minor operating loss at operating level i.e. Net EBITDA level in Q1 FY21
- * Moratorium allowed by RBI has been availed to preserve cash
- * Cash outflow for construction of Aurika MIAL and LT Resort Shimla got deferred due to restriction on construction which may resume in early to mid H2 FY21

Cost Control

- * Hiring freeze. Significant salary cuts taken at leadership levels (min 50%) to ensure no permanent hotel staff were laid off
- * Power & Fuel expenses drastically reduced due to tight control on units consumed and waiver on fixed charges provided by some state electricity boards
- * Renegotiated lease rentals, annual maintenance contracts, IT contracts etc. to get waiver for the Q1/H1 FY21
- * Repairs and Maintenance capital expenditure frozen with only minimal expense for operations
- * All discretionary spends like advertising, leased cars, etc. paused
- * Careful monitoring of all costs undertaken to achieve breakeven at Net EBITDA level in Q1 FY21

Enhanced Hygiene and Safety

- * Regular sanitization of all our hotels
- * Temperature checks done using non contact thermometers for employees, visitors and guests at the time of entering hotel premises
- * Mandating employees to wash/sanitize hands very frequently
- * Over 100 SOPs implemented including on how to attend asymptomatic guests availing quarantine in our hotels and PPE kits made available for hotel staff attending such guests
- * Appropriate measures taken at hotels to ensure social distancing between hotel staff, visitors and guests
- * Protocols related to air-conditioning implemented to prevent any air-flow from one room to another

CoVID-19 – Performance Summary (Owned/Leased Rooms)

In Rs (Cr)	April 2020	YoY Change %	May 2020	YoY Change %	MoM Change %
Total Inventory#	5,183	41.1%	5,183	41.1%	0.0%
Operational Inventory	3,397	-4.8%	4,048	13.7%	19.2%
Occupancy (on operational Inventory)	33.4%	(4,385)bps	39.6%	(3,813)bps	611bps
ARR	2,881	-27.7%	2,625	-33.5%	-8.9%
Revenue	10.8	-76.3%	13.5	-70.8%	24.7%
Expenses	10.7	-58.1%	11.3	-57.4%	5.6%
Hotel Level GOP	0.1	-99.5%	2.2	-88.9%	1,966.3%
Operating Cash Flow	(2.9)		(0.8)		

- * A cure should be found within 6-9 months and a vaccine in 18-24 months and it should take another 6-12 months for the entire population to be vaccinated
- * Currently (during lockdown) business is at ~25% - 30% of normal levels (y-o-y)
- * Once a cure is found, business will return to ~50 - 60% of normal levels (this will be all domestic)
- * Once a vaccine is widely distributed i.e. in the next 2-2.5 years, business will return to normal (domestic, international & MICE)
- * We have prepared several scenarios of forecasts, but in the worst case the results may be as given below:
 - Revenues stay at May 2020 levels till September 2020, improve marginally in Q3 and then gradually improve post cure and should get back to normal post distribution of vaccine
 - On this basis i.e. worst case, we need an additional Rs 200 Cr of cash infusion as follows:
 - Rs 5-10 Cr for operational cash flows (upto September 2020)
 - Rs 200-220 Cr interest and loan repayments (September 2020 onwards)
 - Rs 30-40 Cr capital expenditure (Mumbai completion by October 2022)
 - In worst case, total consolidated cash requirement is between 235-270Cr. After adjusting current available liquidity (Rs 65 Cr) net requirement is ~ Rs 170 - 205 Cr

Lemon Tree

- * Board of Directors has given approval to raise upto Rs 150 Cr as an abundant precaution to provide an additional liquidity cushion, if required.
- * The mode of issuance can be Rights Issue, Preferential Placement or Qualified Institutional Placement
- * Management to evaluate and give recommendations to the board on timing/quantum/mode of capital raise

Fleur

- * APG Strategic Real Estate Pool N.V. to infuse upto Rs 300 Cr in two tranches by CCPS which will be convertible into equity in 30 months : Rs 175Cr immediately and Rs 125Cr if required
- * Lemon Tree will inject additional 100% owned assets at the end of 30 months in order to retain current majority ownership. This is aligned to Lemon Tree's asset monetization plan/asset light strategy

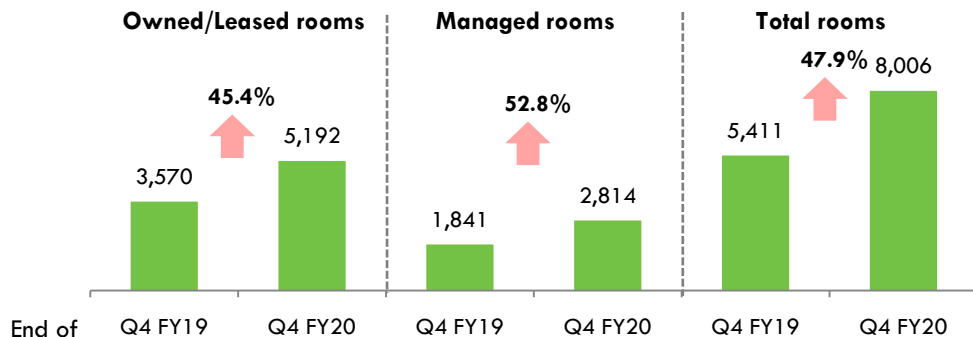
Rationale for the fund raise

- * Provides financial strength – ability to manage cash flows and mitigate the risk of cash flow mismatch
- * Strengthens the balance sheet and financial position

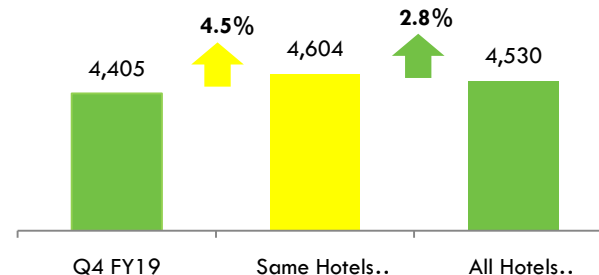
- * We feel we can significantly improve our operational efficiencies in future
- * Staff per room ratio can go down further from current levels of 0.95-1.0 to 0.7-0.75 without sacrificing our service standards, leading to permanent and significant savings in wage bill (wage bill typically accounts for about 18% of total revenue)
- * Similarly, electricity consumption can be reduced significantly (Power and Fuel expenses typically account for 10% of total revenue, with more than 70% being electricity consumption)
- * Various other fixed and variable expenses can also be reduced significantly on a permanent basis
- * These steps should lead to a permanent improvement in Net EBITDA of adult hotels by 500-700 bps as a percentage of revenue once the situation normalizes

Q4 FY20 Performance Highlights – Operational Metrics (Consolidated)

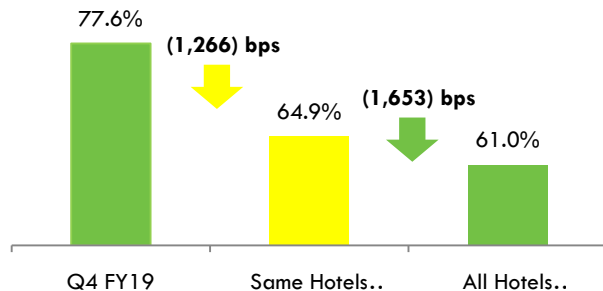
Operational Inventory



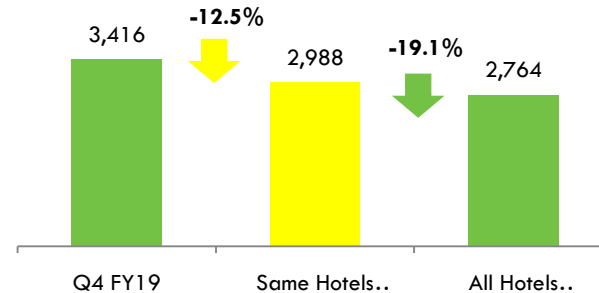
Average Daily Rate (Rs.)



Occupancy (%)



RevPAR (Rs.)

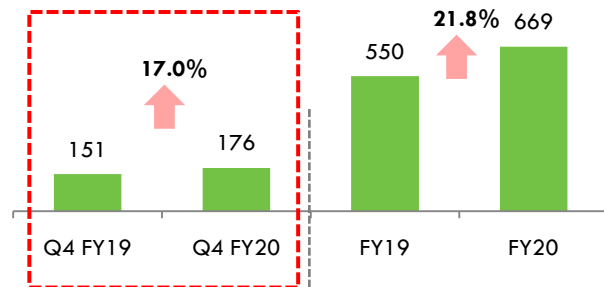


Note:

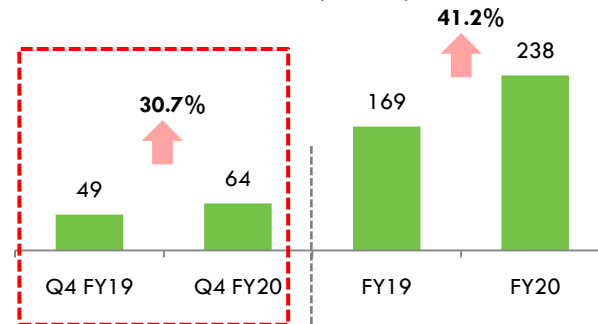
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.
2. Same hotels exclude hotels which were commissioned during the past 12 months i.e. Lemon Tree Premier Mumbai, Red Fox Chandigarh, Lemon Tree Premier Kolkata, Aurika Udaipur and Keys hotels.

Q4 FY20 Performance Highlights – Financial Metrics (Consolidated)

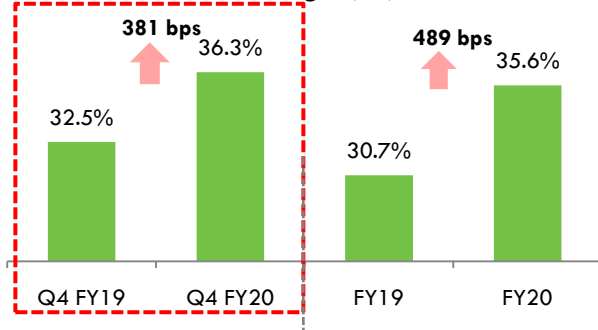
Revenue from Operation (Rs. Cr)



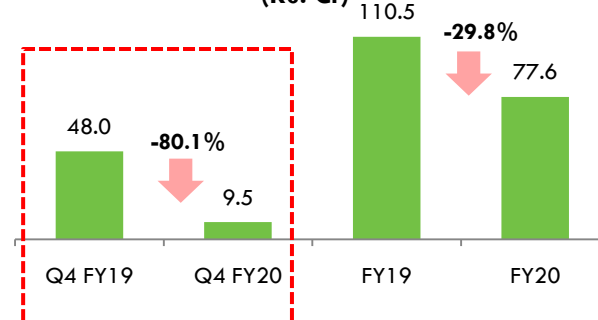
EBITDA (Rs. Cr)



EBITDA Margin (%)



Cash profit (PAT + Depreciation) (Rs. Cr)



Consolidated Profit & Loss Statement – Q4 FY20

Rs. Cr	Q4 FY19	Q4 FY20 Before IndAS 116 Impact	YoY Change (%)	IndAS 116 Impact	Q4 FY20 After IndAS 116 Impact	YoY Change (%)
Revenue from operations	150.5	176.1	17.0%		176.1	17.0%
Total expenses	101.6	121.1	19.2%	-8.9	112.2	10.4%
EBITDA	48.9	55.0	12.4%	8.9	63.9	30.7%
EBITDA margin (%)	32.5%	31.2%	(127)		36.3%	381
Other income	2.6	0.4	-83.8%		0.4	-83.8%
Finance costs	23.8	39.7	66.9%	9.7	49.5	107.9%
Depreciation & amortization	14.3	24.0	67.7%	3.7	27.7	93.7%
PBT	14.3	(8.9)	-162.7%	-4.5	(13.5)	-194.5%
Tax expense	(19.4)	6.7	-134.6%	-1.2	5.5	-128.5%
PAT	33.7	(15.7)	-146.5%	-3.3	(19.0)	-156.4%
Cash Profit	48.0	8.4	-82.6%	1.2	9.5	-80.1%

Consolidated Profit & Loss Statement Breakup – Q4 FY20

Rs. Cr	Same Hotels			New Hotels ¹	Total without Keys Hotels			Keys Hotels	Total		
	Q4FY19	Q4FY20	YoY Change	Q4FY20	Q4FY19	Q4FY20	YoY Change	Q4FY20	Q4FY19	Q4FY20	YoY Change
Inventory	3,570	3,570	0.0%	686	3,570	4,256	19.2%	936	3,570	5,192	45.4%
ARR	4,405	4,604	4.5%	6,467	4,405	4,856	10.2%	2,751	4,405	4,530	2.8%
Occupancy	77.6%	64.9%	(1,266)	52.6%	77.6%	62.9%	(1,464)	52.4%	77.6%	61.0%	(1,653)
RevPAR	3,416	2,988	-12.5%	3,404	3,416	3,055	-10.6%	1,441	3,416	2,764	-19.1%
Revenue from Operations	150.5	132.0	-12.3%	26.7	150.5	158.7	5.4%	17.5	150.5	176.1	17.0%
Total expenses	101.6	94.0	-7.5%	14.2	101.6	108.2	6.5%	12.9	101.6	121.1	19.2%
EBITDA	48.9	38.0	-22.4%	12.4	48.9	50.4	3.0%	4.6	48.9	55.0	12.4%
EBITDA margin (%)	32.5%	28.8%	(372)	46.6%	32.5%	31.8%	(72)	26.3%	32.5%	31.2%	(127)
PBT	14.3	(0.0)	-100.2%	(6.1)	14.3	(6.1)	-143.0%	(2.8)	14.3	(8.9)	-162.7%

Notes

1) New Hotels include: Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata & Aurika Udaipur

Operational Performance by Brands & Region – Q4 FY19 vs. Q4 FY20

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q4 FY19	Q4 FY20	Change (bps)	Q4 FY19	Q4 FY20	Change (%)	Q4 FY19	Q4 FY20	Change (%)	Q4 FY19	Q4 FY20	Change (bps)
By Brand (#Rooms)												
Lemon Tree Premier (1,158)	76.3%	66.0%	(1,031)	5,337	5,501	3.1%	2.5	2.0	-17.0%	48.1%	46.4%	(169)
Lemon Tree Hotels (1562)	77.3%	65.6%	(1,166)	4,364	4,455	2.1%	1.7	1.5	-14.9%	41.0%	41.4%	44
Red Fox Hotels (850)	79.8%	62.1%	(1,770)	3,265	3,596	10.1%	1.3	1.0	-22.1%	47.3%	42.8%	(444)

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q4 FY19	Q4 FY20	Change (bps)	Q4 FY19	Q4 FY20	Change (%)	Q4 FY19	Q4 FY20	Change (%)	Q4 FY19	Q4 FY20	Change (bps)
By Region (#Rooms)												
Delhi (636)	86.8%	72.1%	(1,468)	4,901	5,169	5.4%	2.4	2.0	-18.5%	46.5%	44.2%	(230)
Gurugram (529)	79.2%	64.6%	(1,461)	4,272	4,537	6.2%	1.8	1.5	-14.3%	39.3%	40.5%	117
Hyderabad (663)	83.1%	64.3%	(1,884)	4,178	4,780	14.4%	2.0	1.9	-1.9%	47.8%	52.6%	474
Bengaluru (493)	79.2%	63.4%	(1,582)	4,770	4,504	-5.5%	2.2	1.3	-42.8%	48.7%	37.0%	(1,169)

Note:

- These performance results do not include Red Fox Hotel Chandigarh, Lemon Tree Premier Mumbai, Lemon Tree Premier Kolkata, Aurika Udaipur and Keys.
- Please note that in the Q4 FY19 presentation Lemon Tree Premier Pune and Red Fox Dehradun were also excluded from this analysis. Hence the Q4 FY19 numbers presented above will carry some difference w.r.t numbers in Q4 FY19 presentation.

Discussion on Consolidated Financial & Operational Performance – Q4 FY20

Operational Rooms & Pipeline

- * As of 15th May 2020, operational portfolio comprised of 80 hotels and 8,006 rooms : 4,214 owned, 978 leased and 2,814 managed rooms; Pipeline includes of 748 owned/leased and 1,949 managed rooms
- * Plan to operate 108 hotels with 10,703 rooms across 66 cities by CY22

Revenue

- * Revenue from operations stood at Rs. 176.1 Cr in Q4 FY20, up 17.0% as compared to Rs. 150.5 Cr in Q4 FY19. On same hotels basis, revenue from operations was down by 12.3%
- * ADR increased by 2.8% from 4,405 in Q4 FY19 to 4,530 in Q4 FY20. On same hotels basis, ARR increased by 4.5% to 4,604 in Q4 FY20. For new hotels, ARR was 6,467 (40.4% higher than same hotels). For Keys hotels, ARR was 2,751 (40.3% lower than same hotels)
- * Occupancy decreased by 16.5% from 77.6% in Q4 FY19 to 61.0% in Q4 FY20. On same hotels basis it decreased by 12.7% from 77.6% in Q4 FY19 to 64.9% in Q4 FY20. For new hotels, occupancy was 52.6% (12.2% lower than same hotels). For Keys hotels, occupancy was 52.4% (12.5% lower than same hotels)
- * Fees from managed hotels stood at Rs. 4.7 Cr in Q4 FY20 (2.7% of Revenue from operations)

Cost

- * Total expenses stood at Rs. 112.2 Cr in Q4 FY20 as per the new AS 116 accounting, up 10.4% as compared to Rs 101.6 Cr in Q4 FY19. As per old accounting the expenses grew by 19.2% in Q4 FY20. On same hotels basis, expenses decreased by 7.5% to Rs 94.0 Cr in Q4 FY20 from Rs 101.6 Cr in Q4 FY19

Operating Margins

- * EBITDA without other Income, as per old accounting, increased by 12.4% from Rs 48.9 Cr in Q4 FY19 to Rs 55 Cr in Q4 FY20
- * EBITDA margin without other Income, as per old accounting, contracted by 127bps from 32.5% in Q4 FY19 to 31.2% in Q4 FY20

Profit after tax

- * Profit after tax, as per the AS 116 accounting, decreased from Rs 33.7 Cr in Q4 FY19 to Rs (19.0) Cr in Q4 FY20. As per old accounting the Profit after tax decreased to Rs (15.7) Cr.
- * Cash Profit for Q4 FY20 stood at Rs 9.5 Cr, 80.1% lower than Rs 48.0 Cr in Q4 FY19

Consolidated Profit & Loss Statement – FY20

Rs. Cr	FY19	FY20 Before IndAS 116 Impact	YoY Change (%)	IndAS 116 Impact	FY20 After IndAS 116 Impact	YoY Change (%)
Revenue from operations	549.5	669.4	21.8%		669.4	21.8%
Total expenses	380.7	464.3	21.9%	-33.2	431.1	13.2%
EBITDA	168.8	205.1	21.6%	33.2	238.3	41.2%
EBITDA margin (%)	30.7%	30.6%	(7)		35.6%	489
Other income	9.9	5.8	-41.8%		5.8	-41.8%
Finance costs	84.7	124.9	47.5%	36.6	161.6	90.7%
Depreciation & amortization	54.1	73.2	35.2%	14.0	87.2	61.1%
PBT	45.3	15.3	-66.3%	-17.4	(2.2)	-104.8%
Tax expense	(11.1)	15.5	-239.4%	-4.6	10.9	-197.7%
PAT	56.4	(0.2)	-100.4%	-12.8	(13.0)	-123.1%
Cash Profit	110.5	72.9	-34.0%	4.6	77.6	-29.8%

Consolidated Balance Sheet Snapshot – FY20

Rs. Cr	FY19	H1 FY20	FY20
Shareholder's Funds	875.0	824.7	823.0
Non-controlling interests	432.2	430.9	721.8
Total Shareholder's equity	1,307.2	1,255.6	1,544.8
Total Debt	1,204.2	1,334.9	1,577.5
Other Non-current liabilities	38.0	381.4	464.2
Other Current liabilities	222.4	258.5	176.3
Total Equity & Liabilities	2,771.8	3,230.4	3,762.8
Non-current assets	2,575.3	2,979.4	3,603.6
Current assets	196.6	251.0	159.2
Total Assets	2,771.8	3,230.4	3,762.8
Debt to Equity (x)	0.92	1.06	1.02
Average cost of borrowing (%)	9.40%	9.62%	9.60%

Operational Performance by Ageing – FY19 vs. FY20

Parameters	Financial year	Adult Hotels (Stable - older than 3 years)	Toddler Hotels (Stabilizing - between 1-3 years old)	Infant Hotels (New - less than 1 year old)	Under-development hotels
Hotels ¹	FY20	24	6	11	2
	FY19	21	7	2	
Operating Rooms (year-end)	FY20	2,855	715	1,622	748
	FY19	2,727	551	292	
Occupancy Rate (%)	FY20	75.2%	67.1%	56.4%	Deep demand markets (high occupancies)
	FY19	79.2%	69.9%	36.3%	
Average Daily Rate (Rs.)	FY20	4,399	4,027	4,438	2.0x of Adult Hotels in that year*
	FY19	4,197	4,082	4,200	
Hotel level EBITDAR ² /room (Rs. Lacs)	FY20	6.9	5.5	2.3	High*
	FY19	7.2	4.9	1.1	
Hotel level EBITDAR ² Margin (%)	FY20	44%	39%	39%	High*
	FY19	44%	33%	40%	
Hotel level ROCE ^{*3} (%)	FY20	12%	5%	2%	1.5x of Adult Hotels in that year*
	FY19	13%	4%	1%	

Notes:

1) During the year FY20 3 hotels moved from toddler to adult category, 2 hotels moved from infant to toddler category and 11 new hotels entered into the infant category

2) Hotel level EBITDAR measures hotel-level results before lease rentals, debt service, depreciation and corporate expenses of the owned/leased hotels, and is a key measure of company's profitability

4) Hotel level RoCE is calculated as : (Hotel level EBITDAR - lease rentals)/Capital deployed for operational owned & leased hotels

* Post stabilization.

Expansion Plans – Hotels under Development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Lemon Tree Mountain Resort, Shimla	Owned	69	TBD	100.00%
Lemon Tree Vembanad Lake Resort, Alleppey, Kerala ¹	Owned	10	TBD	100.00%
Aurika, Intl. Airport, Mumbai ²	Owned	669	End of CY22	57.98%
Total		748		

* Total estimated project cost is Rs. 8,550 million

* Total capital deployed/capital expenditure already incurred (i.e. CWIP + Security Deposit for leased assets under-development + Land Capitalised + Capital advances – Capital creditors) as on 31st March, 2020 is Rs. 3,200 million

Notes: 1) Expansion in existing hotel.

2) Aurika, Mumbai International Airport is in process of getting approval to increase the number of rooms to 669 rooms in place of the existing approval of 577 rooms.

Expansion Plans – Pipeline of Management Contracts (as of 15th May, 2020)*

Management Contracts Pipeline	Rooms	Expected Opening date	Tenure (years)
Lemon Tree Hotel, Baga, Goa	44	Aug-20	15
Lemon Tree Hotel, BKC, Mumbai	70	Sep-20	15
Lemon Tree Premier, Dwarka	108	Sep-20	12
Lemon Tree Premier, Bhubaneshwar	76	Oct-20	10
Lemon Tree Resort, Mussoorie	40	Oct-20	15
Lemon Tree Premier, Coorg	63	Nov-20	15
Lemon Tree Hotel, Jhansi	60	Nov-20	12
Keys Prima, Dehradun	40	Dec-20	15
Red Fox Hotel, Neelkanth	80	Dec-20	12
Lemon Tree Premier, Vijaywada	120	Dec-20	12
Serviced Suites, Manesar	260	Feb-21	10
Lemon Tree Resort, Thimpu	38	Mar-21	10
Lemon Tree Hotel, Aligarh	68	Mar-21	12
Lemon Tree Hotel, Rishikesh	102	Mar-21	15
Lemon Tree Hotel, Sonamarg	40	Mar-21	10
Lemon Tree Hotels, Nagarkot, Nepal	51	Mar-21	10
Management Rooms to be Operational in FY21	1,260		
Lemon Tree Hotel, Ranthambore	60	Sep-21	10
Lemon Tree Hotel, Bokaro	70	Sep-21	10
Lemon Tree Hotel, Kathmandu	75	Sep-21	10
Lemon Tree Hotel, Trivandrum	100	Sep-21	10
Lemon Tree Hotel, Ludhiana	60	Oct-21	10
Lemon Tree Hotel, Darjeeling	55	Apr-22	15
Lemon Tree Premier, Dindy	50	Uncertain	10
Lemon Tree Hotel, Durgapur	80	Uncertain	10
Lemon Tree Hotel, Gulmarg	35	Uncertain	10
Lemon Tree Hotel, Gwalior	104	Uncertain	10
Total Pipeline	1,949		

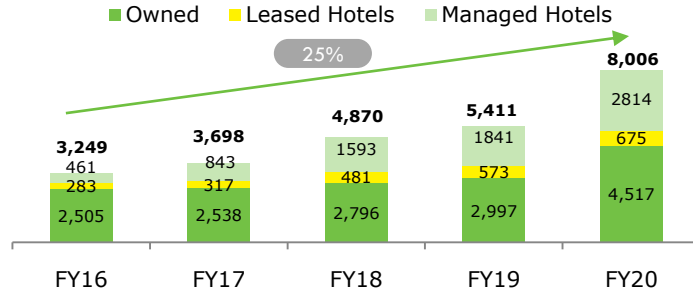
*The expected opening dates are our best estimates based on our discussion with owners but subject to the return of migrant laborers and the respective state government's directions related to resumption of construction activities



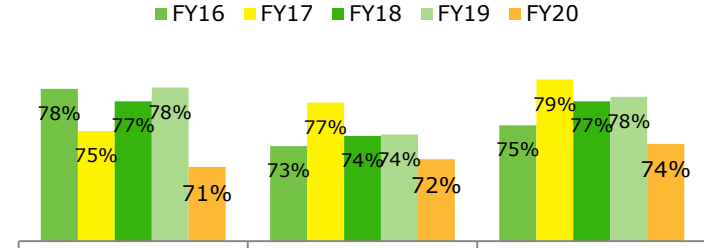
ANNEXURES

Strong operating performance

Rooms are being added...

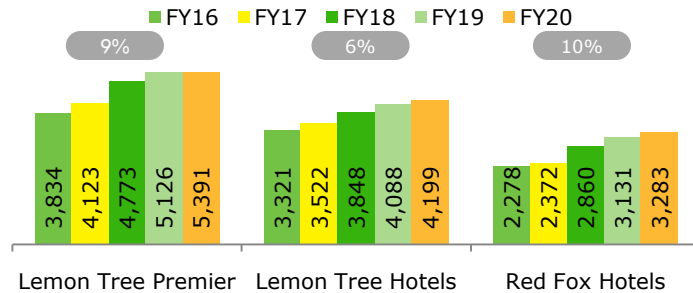


...and occupancy levels increasing...

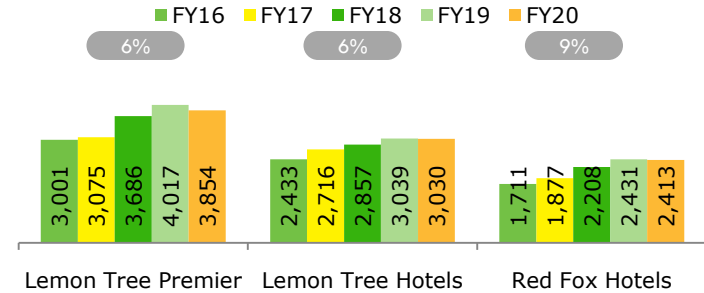


Lemon Tree Premier Lemon Tree Hotels Red Fox Hotels
 Note: Drop in occupancy levels is on account of new owned/leased supply addition by Lemon Tree in FY20 and COVID-19

...coupled with increasing ADR...



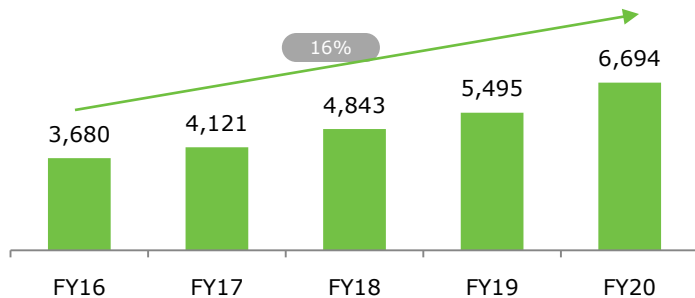
...leading to a RevPAR growth



Strong Growth and improving margins

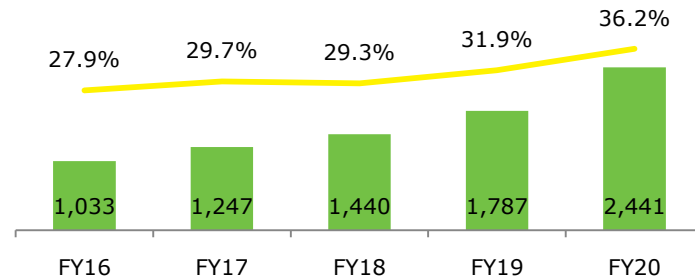
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



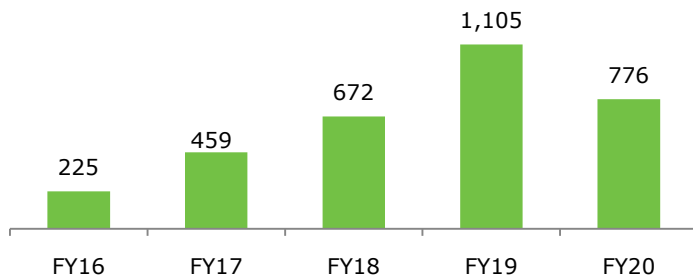
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



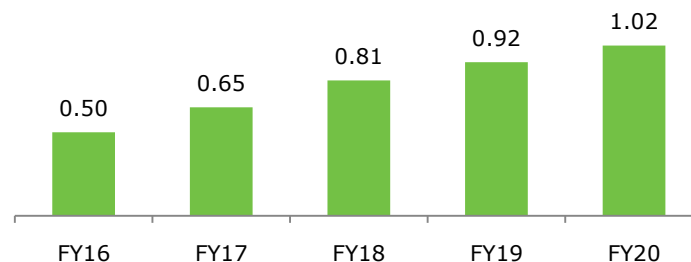
Increasing cash profit* growth

Cash Profit (PAT + Depreciation) (Rs. million)



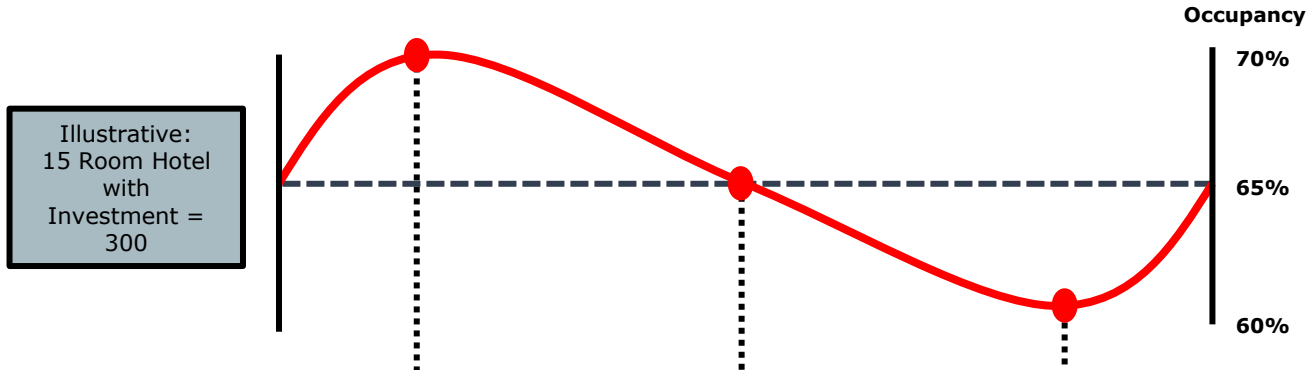
Gearing low

Debt/Equity



Note: FY16 figures are from Lemon Tree Prospectus. FY17, FY18, FY19 and FY20 figures are from audited balance sheet.

The hotel business cycle



Cycle	Top (2)	Middle (3)	Bottom (2)	
Occupancy	70% or more	63-68%	60% or less	
Rooms Sold	12	10	8	
Average Daily Rate	13	10	7	
Revenue	156	100	56	3:2:1
Expenses	60	50	40	
EBITDA	96	50	16	
Hotel RoCE	32%	17%	5%	6:3:1
Sustainable Debt:Equity Coverage	Full Debt	1:1	No Debt	

Note: Hotel RoCE is calculated as Hotel level EBITDA/Capital deployed for operational hotels.

Lemon Tree Hotels Limited (LTH) Q4 FY20 Earnings Conference Call

Time

- 4:00 PM IST on Monday, June 1, 2020

Conference dial-in Primary number

- Primary number: +91 22 6280 1141 / +91 22 7115 8042

Local access number

- +91 70456 71221 (Available all over India)

International Toll Free Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

Lemon Tree Hotels (LTH) is the largest mid-priced hotel sector chain, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. LTH operates in the mid market sector, consisting of the upscale, upper midscale, midscale and economy hotel segments and seeks to cater to Indian middle class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition.

LTH opened its first hotel with 49 rooms in May 2004 and currently operates (including Keys hotels) ~8,000 rooms in 79 hotels across 47 cities. As the current pipeline (as of 31st January 2020) becomes operational, LTH will be operating 108 hotels with ~10,600 rooms, across 68 cities in India and abroad.

Lemon Tree Hotels including keys hotels are located across India, in metro regions, including the Delhi NCR, Mumbai, Kolkata, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore, Aurangabad, Udaipur, Vishakhapatnam, Kochi, Ludhiana and Thiruvananthapuram.

For more information about us, please visit www.lemontreehotels.com or contact:

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