



November 6, 2020

**National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051**

**BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001**

Name of Scrip: LEMONTREE

BSE Scrip Code: 541233

**Re: Unaudited Financial Results (Standalone and Consolidated) for the
Quarter and Half year ended September 30, 2020 along with Limited
Review Report**

We wish to inform you that the Board of Directors of Lemon Tree Hotels Limited (the "Company") at its meeting held today at 04.00 P.M. and concluded at 07.00 P.M., has, inter alia, approved the Unaudited (Standalone and Consolidated) Financial Results for the quarter and half year ended September 30, 2020 and took on record the limited review report thereon.

A copy of:


- A) Unaudited financial results (Standalone and Consolidated) for the quarter and half year ended September 30, 2020; and
- B) Limited Review Report issued by Statutory Auditors thereon

as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2105, alongwith Investor presentation are enclosed herewith.

This is for your information and record.

Thanking you,

For **Lemon Tree Hotels Limited**


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

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF LEMON TREE HOTELS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Parent"), limited liability partnership firm and its subsidiaries (the Parent, firm and its subsidiaries together referred to as "the Group"), and its share of loss of its associates for the quarter and six months ended September 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent'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 Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 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.

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.

4. The Statement includes the results of the following entities:

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

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

6. Emphasis of Matter

Attention is invited to Note 7 of the Statement of Consolidated Unaudited 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 September 30, 2020.

Our conclusion on the Statement is not modified in respect of the above matters.

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**Deloitte
Haskins & Sells LLP**

7. We did not review the interim financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the standalone interim unaudited financial results of the entity included in the Group, whose interim financial results reflect total assets of Rs. 567.25 lacs as at September 30, 2020, total revenues of Rs. Nil and Rs. Nil for the quarter and six months ended September 30, 2020 respectively, total loss after tax of Rs. Nil and Rs. 0.01 lacs for the quarter and six months ended September 30, 2020 respectively, total comprehensive loss of Rs. Nil and Rs. 0.01 lacs for the quarter and six months ended September 30, 2020 respectively and net cash outflows of Rs. 16.78 lacs for the six months ended September 30, 2020, as considered in the respective standalone unaudited interim financial results of the entity included in the Group. The interim financial results of the trust have been reviewed by the other auditor whose reports have been furnished to us, and our conclusion 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 in paragraph 3 above.

We did not review the interim financial results of 22 subsidiaries and 1 limited liability partnership firm included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 1,44,847.26 lacs as at September 30, 2020, total revenues of Rs. 1,312.66 lacs and Rs. 2,671.01 lacs for the quarter and six months ended September 30, 2020 respectively, total net loss after tax of Rs. 1,316.27 lacs and Rs. 2,591.84 lacs for the quarter and six months ended September 30, 2020 respectively, total comprehensive loss of Rs. 1,316.04 lacs and Rs. 2,591.21 lacs for the quarter and six months ended September 30, 2020 respectively and net cash inflows of Rs. 1,644.39 lacs for six months ended September 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of net loss of Rs. 21.74 lacs and Rs. 75.99 lacs for the quarter and six months ended September 30, 2020 and Total comprehensive loss of Rs. 21.74 lacs and Rs. 75.99 lacs for the quarter and six months ended September 30, 2020, as considered in the Statement, in respect of 3 associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, limited liability partnership firm and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Vijay Agarwal
Partner
(Membership No. 094468)
UDIN:20094468AAAAIW8319

Jaipur, November 06, 2020

Statement of Unaudited Consolidated Financial Results for the Quarter and Half Year ended September 30, 2020

(₹ In Lakhs, except per share data)

	Quarter ended			Half Year ended		Year Ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
Revenue from operations	4,759.69	4,066.56	13,275.66	8,826.25	39,369.04	66,943.74
Other income (Refer Note 9)	601.34	311.68	92.95	913.02	219.05	578.28
Total income	5,361.03	4,378.24	15,368.61	9,739.27	29,588.09	67,522.02
2 Expenses						
Cost of food and beverages consumed	321.70	232.43	1,324.20	554.13	2,500.59	5,696.78
Employee-benefit expenses	1,427.76	1,776.36	3,664.51	3,204.12	7,037.42	15,532.26
Power and fuel	748.96	630.91	1,694.76	1,378.97	3,082.16	6,133.58
Other expenses	1,430.54	991.94	3,838.84	2,422.48	7,369.22	15,747.27
Total expenses	3,928.96	3,630.74	10,432.31	7,559.70	20,049.39	43,109.89
3 Profit before depreciation and amortization, finance cost, finance income (1-2)	1,432.07	747.50	4,936.30	2,179.57	9,538.70	24,412.13
4 Finance cost	4,972.18	4,868.82	3,327.88	9,841.00	6,619.09	16,155.57
5 Finance income	(328.48)	(132.68)	(280.03)	(521.16)	(367.04)	(508.54)
6 Depreciation and amortization expense	2,701.54	2,708.97	1,956.40	5,410.51	3,673.01	8,716.12
7 Net (loss)/profit before tax before share of associates (3-4-5-6)	(5,903.17)	(6,647.64)	(267.95)	(12,550.78)	(386.36)	48.98
8 Add: Share of Loss of associates	(66.26)	(119.86)	(27.53)	(186.22)	(48.65)	(266.66)
9 Loss before tax (7+8)	(5,969.53)	(6,767.47)	(295.48)	(12,737.00)	(435.01)	(217.68)
10 Tax expense						
Current tax/MAT	(2.80)	0.60	135.83	(2.20)	303.05	990.43
Deferred tax						
- MAT Credit entitlement related to current year	-	-	(113.16)	-	(196.67)	(689.98)
- MAT Credit entitlement related to earlier year	-	-	18.53	-	18.53	4.40
- Deferred tax (income)/expense related to current year	(612.35)	(712.51)	(35.40)	(1,324.86)	(48.38)	782.92
11 Net loss after tax (9-10)	(5,354.38)	(6,055.56)	(301.28)	(11,409.94)	(511.54)	(1,305.45)
12 Other Comprehensive Income/(Expenses)						
Items that will not be reclassified to profit and loss						
Remeasurements of defined benefit plans	0.54	0.58	(6.17)	1.12	(6.98)	1.42
Income tax effect	(0.71)	(0.71)	1.16	(1.42)	1.39	(0.18)
13 Total comprehensive Loss	(5,354.55)	(6,055.60)	(306.29)	(11,410.24)	(517.13)	(1,304.20)
14 Net loss after tax	(5,354.38)	(6,055.56)	(301.28)	(11,409.94)	(511.54)	(1,305.45)
Attributable to:						
Equity holders of the parent	(3,713.07)	(4,187.16)	(215.13)	(7,900.23)	(382.10)	(953.70)
Non-controlling interests	(1,641.31)	(1,868.40)	(86.15)	(3,509.71)	(129.44)	(351.75)
15 Total comprehensive Loss	(5,354.55)	(6,055.60)	(306.29)	(11,410.24)	(517.13)	(1,304.20)
Attributable to:						
Equity holders of the parent	(3,712.40)	(4,186.58)	(219.89)	(7,898.98)	(388.60)	(949.17)
Non-controlling interests	(1,642.15)	(1,869.11)	(86.40)	(3,511.26)	(128.53)	(355.03)
16 Total comprehensive Loss for the year after non-controlling interest	(3,712.40)	(4,186.58)	(219.89)	(7,898.98)	(388.60)	(949.17)
17 Paid-up equity share capital (Face value of the share ₹ 10/-)	79,032.94	79,032.94	79,014.86	79,032.94	79,014.86	79,031.44
18 Other Equity (including non-controlling interest)	-	-	-	-	-	75,444.67
19 Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter and half year periods is not annualized)						
Basic	(0.47)	(0.53)	(0.03)	(1.00)	(0.05)	(0.12)
Diluted	(0.47)	(0.53)	(0.03)	(1.00)	(0.05)	(0.12)



Notes:

1. The Audit Committee has reviewed the above results and the Board of Directors has approved the above consolidated financial results at their respective meetings held on November 5, 2020 and November 6, 2020. The statutory auditors have carried out a limited review of the above Consolidated financial results.

2. The above Consolidated financial results are extracted from the unaudited consolidated financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

3. On November 13, 2019, the Board of Directors of Fleur Hotels Private Limited, material subsidiary of parent company had 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 had been electronically filed with National Company Law Tribunal, New Delhi (NCLT) and the Company has received the First motion order dated October 15, 2020 from NCLT dispensing the meeting of creditors and shareholders of Transferor Companies and Transferee Company. Further, the Company has also filed the Second Motion application with NCLT on October 21, 2020.

After approval of the Scheme by NCLT, the Transferor Company 1 and Transferor Company 2 shall be amalgamated in Fleur Hotels Private Limited w.e.f April 1, 2019 (Appointed date of the Scheme).

4. The paid up share capital of the Company excludes 19,16,991 (March 31, 2020: 19,31,991) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.

5. Fleur Hotels Private Limited (Subsidiary Company) has issued and allotted 53,76,346 Compulsorily Convertible Preference Shares ("CCPS") to AFG Strategic Real Estate Pool N.V. ("Existing Shareholder") at an issue price of ₹ 325.50 per share (including premium of ₹ 315.50 per share) on June 22, 2020 at an aggregate consideration of ₹ 175 Crores.

6. Statement of Consolidated Assets and Liabilities

(₹ In Lakhs)

Particulars	As at	As at
	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	261,554.55	265,180.14
(b) Capital work-in-progress	19,313.30	18,956.64
(c) Investment Property	234.73	236.93
(d) Intangible assets	2,235.00	2,431.48
(e) Right to use asset	52,266.94	53,311.93
(f) Goodwill on consolidation	9,508.46	9,508.46
(g) Financial assets		
(i) Investments	773.40	959.51
(ii) Loans	120.13	118.88
(iii) Other non-current financial assets	6,330.92	5,965.49
(h) Deferred tax assets (net)	1,761.89	438.47
(i) Non-current tax assets (net)	2,008.48	3,265.19
(j) Other non-current assets	1,850.61	1,172.82
	357,958.41	361,545.94
Current assets		
(a) Inventories	725.81	821.76
(b) Financial assets		
(i) Trade receivables	2,912.94	3,027.09
(ii) Cash and Cash equivalents	21,169.74	4,081.73
(iii) Investments	500.06	441.37
(iv) Other current financial assets	382.44	434.91
(c) Other current assets	3,548.50	3,922.51
	29,239.49	14,729.37
Total Assets	387,197.90	376,275.31

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(₹ In Lakhs)

Particulars	As at September 30, 2020	As at March 31, 2020
	(Unaudited)	(Audited)
Equity And Liabilities		
Equity		
(a) Share capital	79,032.94	79,031.44
(b) Other Equity	(4,629.53)	3,267.73
Equity attributable to owners of the parent	74,403.41	82,299.17
(c) Non-controlling interests	86,140.48	72,176.94
Total Equity	160,543.89	154,476.11
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	145,142.44	145,089.51
(ii) Lease liability	46,490.13	46,188.08
(b) Long term provisions	253.07	240.28
	191,885.64	191,517.87
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	10,021.07	8,957.53
(ii) Lease liability	88.21	77.54
(iii) Trade payables	7,744.00	8,421.95
(iv) Other current financial liabilities	15,257.97	12,880.31
(b) Provisions	465.16	425.38
(c) Other current liabilities	1,191.96	2,518.62
	34,768.37	30,281.33
Total Liabilities	226,654.01	221,799.20
Total Equity and Liabilities	387,197.90	376,275.31

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7. COVID-19 pandemic has impacted and continues to impact business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures resulting reduction in occupancy of hotels and average realization rate per room starting from the month of March 2020. Management has undertaken/is undertaking various cost savings initiatives like salary reduction, rent waiver, etc. to conserve cash coupled with the capital infusion amounting to Rs. 175 crores in the form of compulsorily convertible preference shares. Further, out of 41 Hotels (5,192 rooms) of the group 30 hotels (4,210 rooms) were operational as on September 30, 2020. The weighted average occupancy of the operational rooms for the month ended September 30, 2020 was 40%. In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position in the current quarter, the Company has made an assessment of its liquidity position for next one year and assessed the impact of macro-economic conditions on its business in light of comparison of future projections developed and of the recoverability 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. 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 September 30, 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 above Consolidated financial results. 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 results as and when these material changes to economic conditions arise.

8. Statement of Consolidated Cash flow

(₹ In Lakhs)

Particulars	Half year ended September 30, 2020 (Unaudited)	Half year ended September 30, 2019 (Unaudited)
A. Cash flow from operating activities		
Profit (Loss) before tax	(12,737.00)	(435.01)
Operating profit before working capital changes	2,074.40	9,350.20
Net cash flow from operating activities (A)	1,296.08	5,839.01
Net Cash flow used in investing activities (B)	(1,830.19)	(14,901.39)
Net Cash flow from financing activities (C)	17,622.12	9,504.03
Net increase/(decrease) in cash and cash equivalents (A + B + C)	17,088.01	441.65
Cash and cash equivalents at the beginning of the year	4,081.73	3,139.70
Cash and cash equivalents at the end of year	21,169.74	3,581.35

9. During the current quarter and current period, consequential to COVID-19 pandemic, the Group has requested and received rent waiver/concessions from certain landlords and accordingly recognized an amount of INR 566.37 lakhs and INR 846.27 lakhs in Statement of Profit and Loss as "Other Income", by applying practical expedient given in Para 46A and Para 46B of Ind AS 116 (as amended).

10. The Code on Wages, 2019 and Code on social security, 2020 ("the codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the codes when the rules are notified and will record any related impact in the period in which the Codes become effective.

11. The Group is into Hoteliering business. As the Group operates in a single operating segment, it did not give rise to different operating segments in accordance with Ind AS 108 - Operating Segments. Since the group is in Hoteliering business the Consolidated financial results for the Current period are not indicative of a full year's working.

12. Previous period/year figures has been re-grouped or reclassified, to conform to such current period classification.

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Place : New Delhi
Date : November 06, 2020

By order of the Board
for Lemon Tree Hotels Limited

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Patanjali G. Keswani
(Chairman & Managing Director)

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **LEMON TREE HOTELS LIMITED** ("the Company"), for the quarter and six months ended September 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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.

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.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review report of other auditors as referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

5. **Emphasis of Matter**

Attention is invited to Note 5 of the Statement of Standalone Unaudited 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 September 30, 2020.

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

6. We did not review the interim financial results of Krizm Hotel Private Limited Employee Welfare Trust (the "Trust") included in the Statement whose interim financial results reflect total assets of Rs. 567.25 lacs as at September 30, 2020, total revenues of Rs. Nil and Rs. Nil lacs for the quarter and six months ended September 30, 2020 respectively, total loss after tax of Rs. Nil and Rs. 0.01 lacs for the quarter and six months ended September 30, 2020 respectively, total comprehensive loss of Rs. Nil and Rs. 0.01 lacs for the quarter and six months ended September 30, 2020 respectively and net cash outflows of Rs. 16.78 lacs for the six months ended September 30, 2020, as considered in this Statement. The interim financial results have been reviewed by other auditor whose report have been furnished to us, and our conclusion 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 in paragraph 3 above.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Vijay Agarwal
Partner
(Membership No. 094468)
UDIN: 20094468AAAAIV9747

Jaipur, November 06, 2020

Lemon Tree Hotels Limited

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

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

CIN: L74899DL1992PLC049022

Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended September 30, 2020

(₹ In Lakhs, except per share data)

		Quarter ended			Half Year ended		Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	1,729.23	1,186.96	6,685.45	2,916.19	13,163.30	26,957.58
	Other income (Refer Note 6)	153.32	182.94	71.29	336.26	141.53	366.55
	Total income	1,882.55	1,369.90	6,756.74	3,252.45	13,304.83	27,324.13
2	Expenses						
	Cost of food and beverages consumed	91.49	67.39	431.01	158.88	842.76	1,666.71
	Employee benefit expenses	505.05	627.93	1,602.03	1,132.98	3,131.73	6,148.41
	Power and fuel	212.11	166.63	558.55	378.74	1,134.69	2,059.32
	Other expenses	594.20	360.01	1,805.15	954.21	3,603.50	6,543.72
	Total expenses	1,402.85	1,221.96	4,396.74	2,624.81	8,712.68	16,418.16
3	Profit before depreciation and amortization, finance cost, finance income (1-2)	479.70	147.94	2,360.00	627.64	4,592.15	10,905.97
4	Finance cost	1,226.32	1,198.06	1,191.77	2,424.38	2,409.98	4,815.50
5	Finance income	(119.94)	(54.92)	(129.07)	(174.86)	(157.91)	(143.22)
6	Depreciation and amortization expense	564.77	559.51	565.52	1,124.28	1,169.43	2,168.93
7	(Loss)/Profit before tax (3-4-5-6)	(1,191.45)	(1,554.71)	731.78	(2,746.16)	1,170.65	4,064.76
8	Tax expense						
	Current tax under MAT	-	-	97.74	-	182.42	689.98
	Deferred tax						
	- MAT Credit entitlement related to current year	-	-	(108.16)	-	(191.67)	(689.98)
	- MAT Credit entitlement related to earlier year	-	-	11.18	-	11.18	-
	- Deferred tax (income)/expense related to current year	(346.21)	(456.01)	112.43	(802.22)	238.91	844.96
9	Net (loss)/profit after tax (7-8)	(845.24)	(1,098.70)	618.59	(1,943.94)	929.82	3,219.80
10	Other Comprehensive Income						
	Items that will not be reclassified to profit and loss						
	Re-measurement (loss)/gain on defined benefit plans	2.43	2.43	(5.65)	4.86	(11.29)	9.72
	Income tax effect	(0.71)	(0.71)	0.75	(1.42)	1.97	-
11	Total comprehensive (loss)/income	(843.52)	(1,096.98)	613.69	(1,940.50)	920.50	3,229.52
12	Paid-up equity share capital (Face value of the share ₹ 10/-)	79,032.94	79,032.94	79,014.86	79,032.94	79,014.86	79,031.44
13	Other Equity	-	-	-	-	-	25,345.89
14	Earnings per share (Face value of the share ₹ 10/-) (EPS for quarter and half year ended periods is not annualised)						
	Basic	(0.11)	(0.14)	0.08	(0.25)	0.12	0.41
	Diluted	(0.11)	(0.14)	0.08	(0.25)	0.12	0.41



Notes:

1. The Audit Committee has reviewed the above results and the Board of Directors has approved the above standalone financial results at their respective meetings held on November 5, 2020 and November 6, 2020. The statutory auditors have carried out a limited review of the above standalone financial results.
2. The above standalone financial results are extracted from the unaudited standalone financial statements of the Company which are prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
3. On November 13, 2019, the Board of Directors of Fleur Hotels Private Limited, material subsidiary of parent company had 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 had been electronically filed with National Company Law Tribunal, New Delhi (NCLT) and the Company has received the First motion order dated October 15, 2020 from NCLT dispensing the meeting of creditors and shareholders of Transferor Companies and Transferee Company. Further, the Company has also filed the Second Motion application with NCLT on October 21, 2020.

After approval of the Scheme by NCLT, the Transferor Company 1 and Transferor Company 2 shall be amalgamated in Fleur Hotels Private Limited w.e.f April 1, 2019 (Appointed date of the Scheme).
4. The paid up share capital of the Company excludes 19,16,991 (March 31, 2020: 19,31,991) equity shares held by the ESOP trust which has been consolidated in accordance with the requirement of IND AS 110.
5. COVID-19 pandemic has impacted and continues to impact business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures resulting reduction in occupancy of hotels and average realization rate per room starting from the month of March 2020. Management has undertaken/is undertaking various cost savings initiatives like salary reduction, rent waiver, etc. to conserve cash. Further, out of 13 Hotels (1,406 rooms) of the Company 8 hotels (906 rooms) were operational as on September 30, 2020. The weighted average occupancy of the operational rooms for the month ended September 30, 2020 was 39%.
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 company has made an assessment of its liquidity position for next one year and assessed the impact of macro-economic conditions on its business in light of comparison of future projections developed and of the recoverability 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. 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 September 30, 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 above financial results. 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.
6. During the current quarter and current period, consequential to COVID 19 pandemic, the Company has requested and received rent waiver/concessions from certain landlords and accordingly recognized an amount of ₹ 148.09 lakhs and ₹ 321.64 lakhs respectively in Statement of Profit and Loss as "Other income", by applying practical expedient given in Para 46A and Para 46B of Ind AS 116 (as amended).

CS



7. Statement of Standalone Assets and Liabilities

(₹ In Lakhs)

Particulars	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	41,557.17	42,190.28
(b) Capital work-in-progress	1,459.57	1,449.78
(c) Investment Property	234.73	236.93
(d) Intangible assets	312.77	352.00
(e) Right to use assets	16,404.60	16,801.13
(f) Financial assets		
(i) Investments	79,106.63	79,094.44
(ii) Loans	120.13	118.88
(iii) Other non-current financial assets	1,801.65	1,668.29
(g) Deferred tax assets (net)	3,870.37	3,069.57
(h) Non-Current tax assets (net)	672.34	1,025.05
(i) Other non-current assets	170.84	148.99
	145,710.80	146,155.34
Current assets		
(a) Inventories	203.15	233.59
(b) Financial assets		
(i) Trade receivables	6,756.62	7,979.20
(ii) Cash and Cash equivalents	2,427.16	1,187.83
(iii) Investments	500.06	441.37
(iv) Loans	2,588.48	3,498.83
(v) Other current financial assets	3.81	0.68
(c) Other current assets	2,289.70	2,126.68
	14,768.98	15,468.18
Total Assets	160,479.78	161,623.52

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(₹ In Lakhs)

Particulars	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
Equity And Liabilities		
Equity		
(a) Share capital	79,032.94	79,031.44
(b) Other Equity	23,407.13	25,345.89
Total Equity	102,440.07	104,377.33
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	27,706.85	28,151.53
(ii) Lease liability	16,627.89	16,574.94
	135.43	135.43
(b) Provisions	44,470.17	44,861.90
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,975.44	4,470.36
(ii) Lease liability	88.21	77.54
(iii) Trade payables	4,049.95	4,583.53
(iv) Other current financial liabilities	3,905.73	2,228.71
	180.55	157.05
(b) Provisions	369.66	867.10
(c) Other current liabilities	13,569.54	12,384.29
Total Liabilities	58,039.71	57,246.19
Total Equity and Liabilities	160,479.78	161,623.52

Deb



8. Statement of Standalone Cash flow

(₹ In Lakhs)

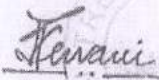
Particulars	For the half year ended September 30, 2020	For the half year ended September 30, 2019
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
(Loss)/Profit before tax	(2,746.16)	1,170.65
Operating profit before working capital changes	803.14	3,377.18
Net cash flow from operating activities (A)	1,841.95	1,161.58
Net Cash flow used in investing activities (B)	(29.13)	(65.08)
Net Cash flow used in financing activities (C)	(573.48)	(669.47)
Net increase in cash and cash equivalents (A + B + C)	1,239.33	427.03
Cash and cash equivalents at the beginning of the year	1,187.83	1,040.60
Cash and cash equivalents at the end of the year	2,427.16	1,467.63

9. The Code on Wages, 2019 and Code on social security, 2020 ("the codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the codes when the rules are notified and will record any related impact in the period in which the Codes become effective.

10. 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. Since, the company is in Hoteliering business so the standalone financial results for the current period are not indicative of a full year's working.

11. Previous period/ year figures has been re-grouped or reclassified, to confirm to such current period classification.

By order of the Board
for Lemon Tree Hotels Limited


Patanjali G. Keswani
(Chairman & Managing Director)

Place: New Delhi
Date : November 06, 2020



Lemon Tree Hotels Limited



Q2 FY21 Earnings Presentation

6th November, 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	H1 FY21 Operating Performance Trends
4	Q2 FY21 Financial Highlights & Results
5	H1 FY21 Financial Results
6	Pipeline
7	Annexures

Lemon Tree – Snapshot as on 31st October, 2020



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

**8,044
rooms;
81 hotels**



Pipeline

**2,607
rooms;
27 hotels**



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

**10,651
rooms;
108 hotels**





Brand	Current	Pipeline	by FY22
Aurika	139 Rooms; 1 Hotel	669 Rooms; 1 Hotel [#]	808 Rooms; 2 Hotels
Lemon Tree Premiere	2,316 Rooms; 16 Hotels	349 Rooms; 5 Hotels	2,665 Rooms; 21 Hotels
Lemon Tree Hotel	2,690 Rooms; 36 Hotels	1,469 Rooms; 19 Hotels	4,159 Rooms; 55 Hotels
Red Fox Hotel	1,423 Rooms; 12 Hotels	80 Rooms; 1 Hotel	1,503 Rooms; 13 Hotels
Keys	1,476 Rooms; 16 Hotels	40 Rooms; 1 Hotel	1,516 Rooms; 17 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

	Q2 FY20	Q2 FY21	YoY Var (%)
 Cities	34	49	44%
 Hotels	57	81	42%
 Rooms	5,828	8,044	37%
 Loyalty Members	1.07 mn	1.20 mn	12%



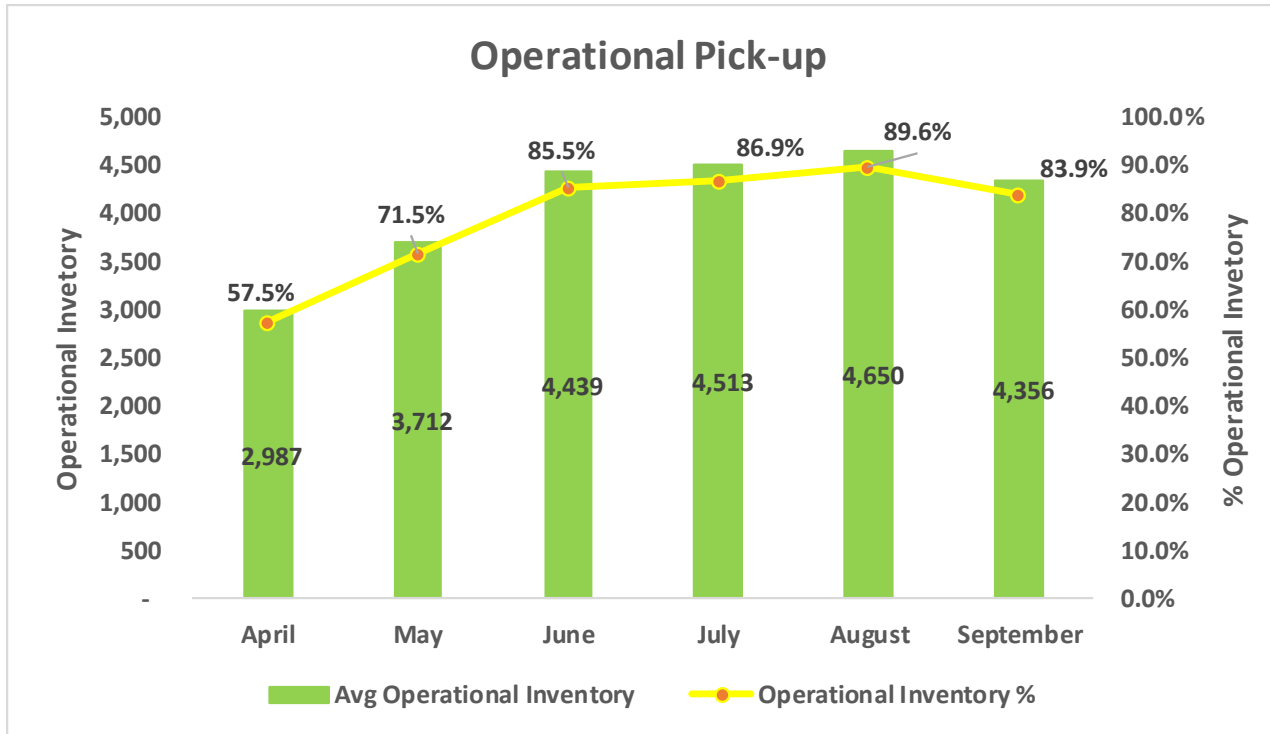
Commenting on the performance for Q2 FY21, Mr. Patanjali Keswani, Chairman & Managing Director – Lemon Tree Hotels Limited said,

“The pandemic has had a severe impact on the travel, hospitality and tourism industry, with these sectors facing an unprecedented and never-seen-before level of disruption, both in the domestic and global markets. However, as lockdown restrictions across domestic markets eased along with the gradual reopening of state borders, we saw initial demand revival coming in particularly from the retail segment. Addressing this uptick, we rejigged our offers and packages for staycations, day-use, work-from-hotels amongst others, which saw a healthy response. This enabled us to witness a recovery on a sequential basis and our operating performance improved significantly over the previous quarter. Our operating inventory increased from 71.5% of our total inventory in Q1 FY21 to 86.8% in Q2 FY21. Our occupancy on full inventory improved from 28.9% in Q1 FY21 to 32.4% in Q2 FY21. Our occupancy across operating hotels stood at 37.3% in Q2 FY21. Consequently, revenues from operations increased 17% from Rs 40.7 Cr in Q1 FY21 to Rs 47.6 Cr in Q2 FY21.

From an operating standpoint, we have continued to explore measures that focus on tightening fixed costs, enhancing efficiencies and improving business processes further to the measures which we implemented in Q1 FY21. This has positively impacted our profitability performance, with our EBITDA growing by 92% to Rs 14.3 Cr in Q2 FY21 from Rs 7.5 Cr in Q1 FY21. Our EBITDA margin expanded by 964bps to 26.7% in Q2 FY21 from 17.1% in Q1 FY21.

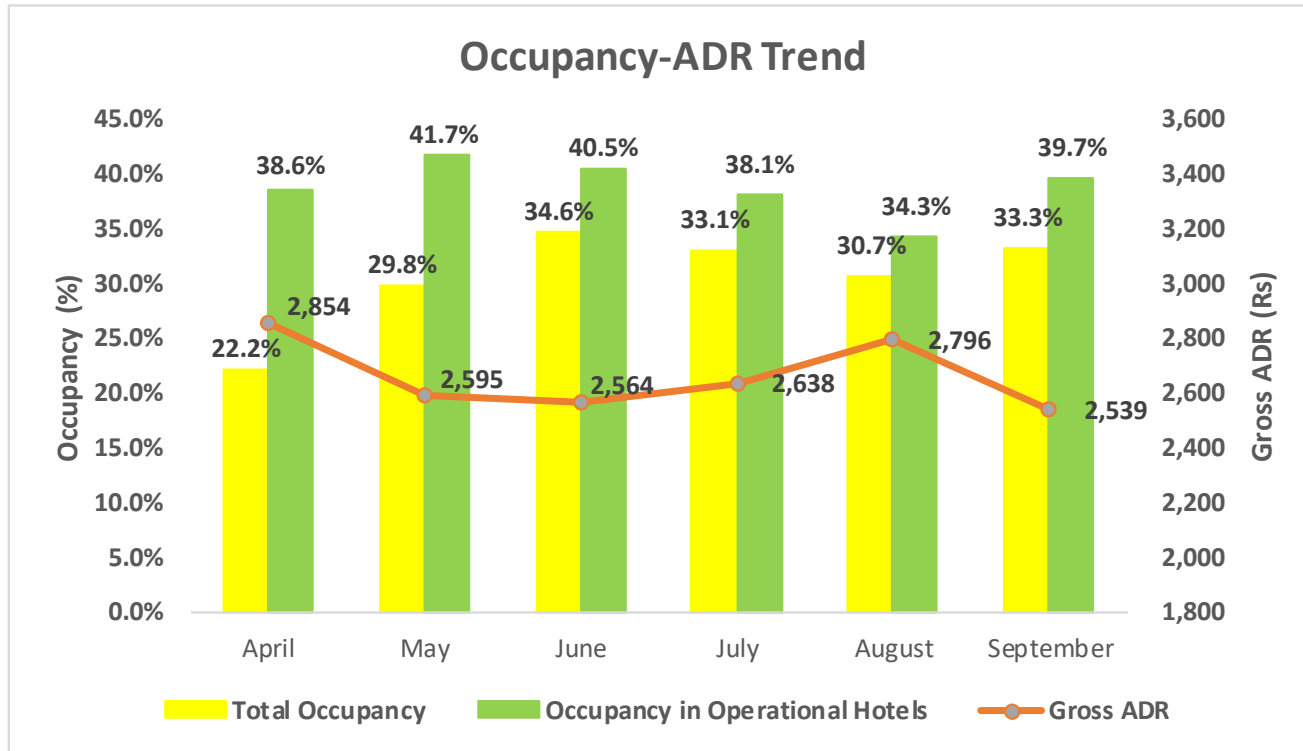
Looking ahead, although the overall demand is far from pre-crisis levels, we are hopeful that the momentum which we gained in Q2 will increase in the months ahead. As the hospitality industry prepares for this new-normal environment, the safety of our guests and employees remains of utmost important to us. With the launch of our unique ‘Rest Assured’ initiative, we are ensuring the best safety and hygiene protocols across all of our properties. On the whole, while the industry will take some more time to recover, we remain confident of our business model and we are sure to bounce back strongly in the normal business environment.”

Increasing Operational Inventory



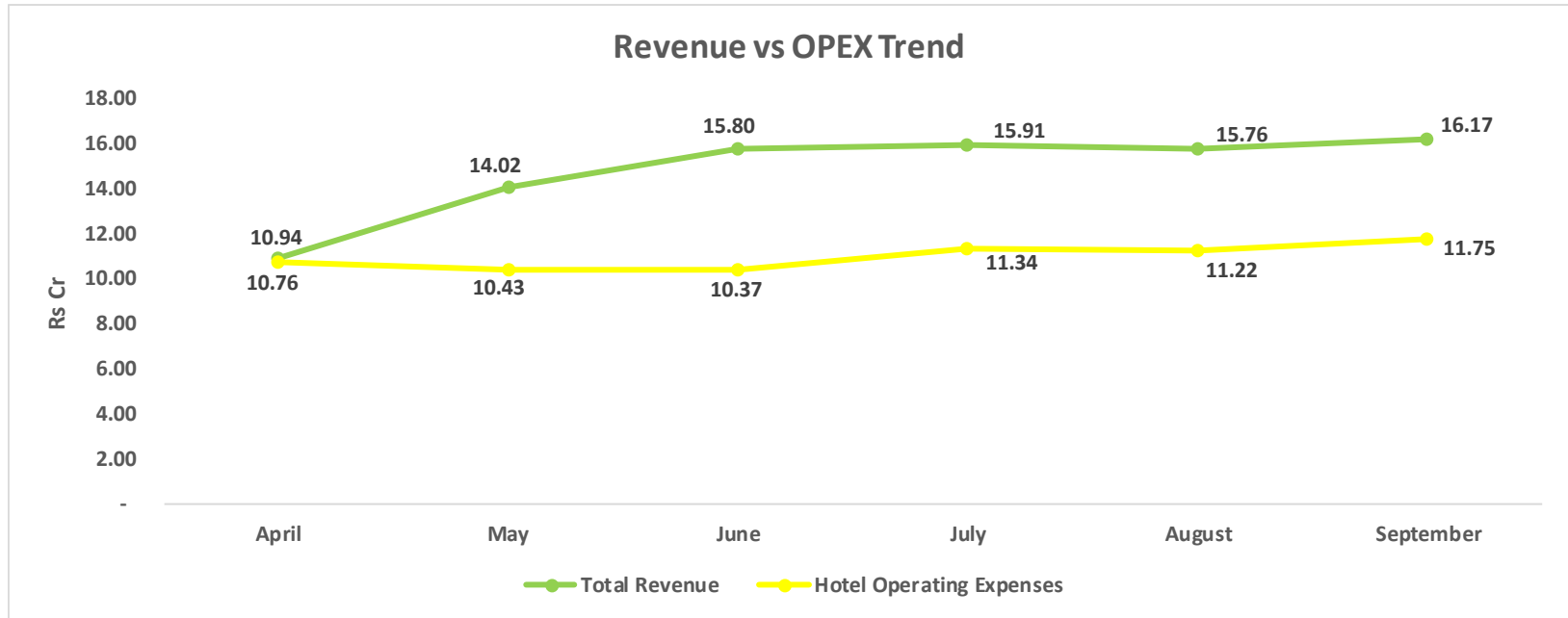
Trends for the 5,192 owned/leased rooms

Rising Occupancy Levels



Trends for the 5,192 owned/leased rooms

Constantly Improving Operating Efficiency

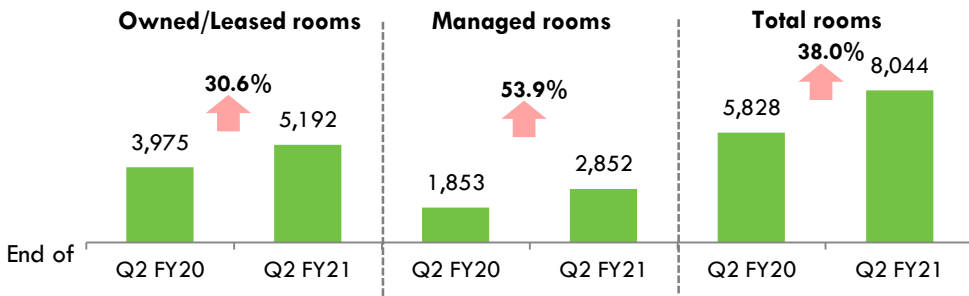


Notes:

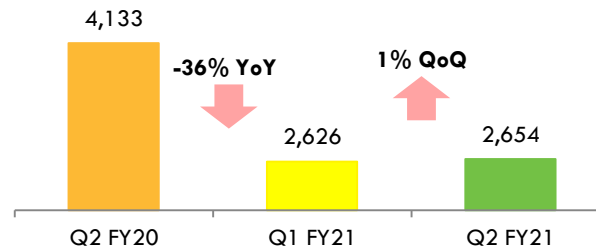
1. Total Revenue includes Revenue from Owned and Leased hotels and Fees from Managed hotels
2. Operating Expenses include Hotel operating expenses for Owned and Leased hotels (including shut hotels)

Q2 FY21 Performance Highlights – Operational Metrics (Consolidated)

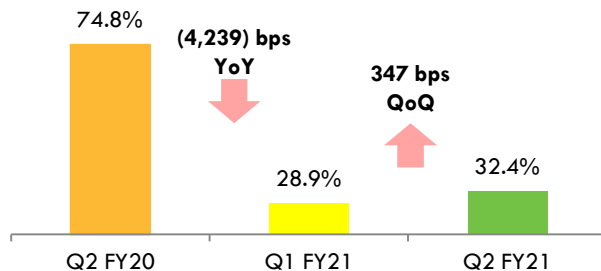
Operational Inventory



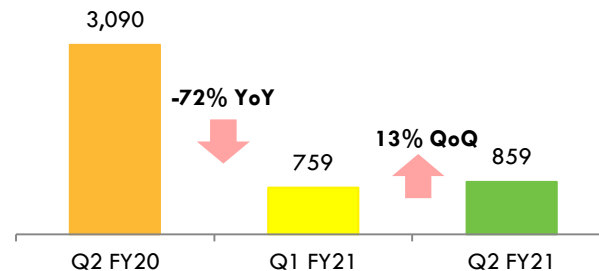
Average Daily Rate (Rs.)



Occupancy (%)



RevPAR (Rs.)

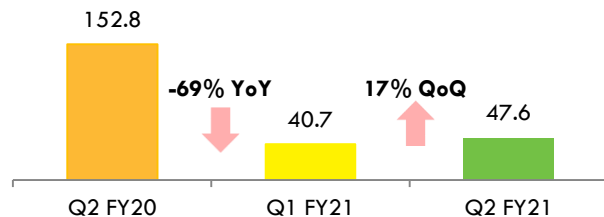


Notes:

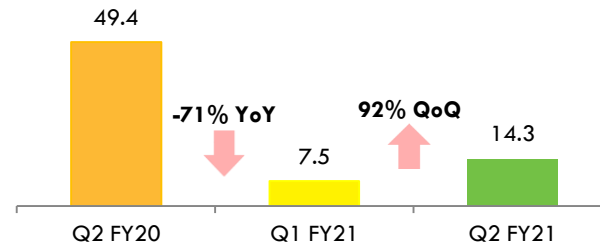
1. ADR, Occupancy and RevPAR are for our owned and leased hotels only.

Q2 FY21 Performance Highlights – Financial Metrics (Consolidated)

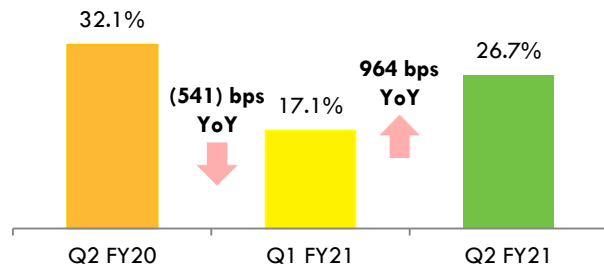
Revenue from Operation (Rs. Cr)



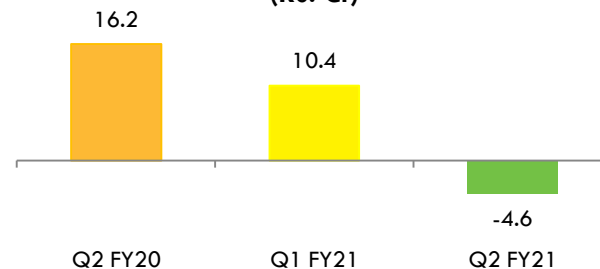
EBITDA (Rs. Cr)



EBITDA Margin (%)



Cash profit (Rs. Cr)



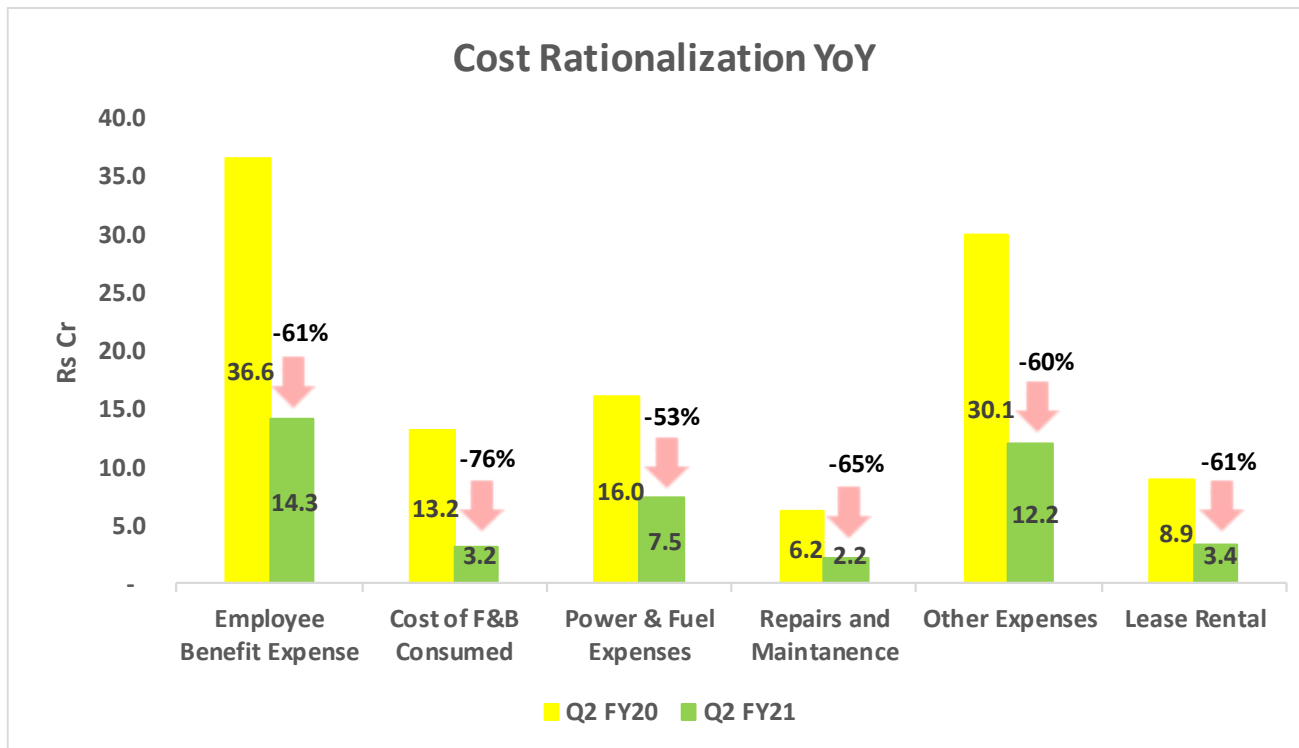
Notes:

1. Q2 FY21 performance is not indicative of the full year performance
2. Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

Consolidated Profit & Loss Statement – Q2 FY21

Rs. Cr	Q2 FY20	Q1 FY21	Q2 FY21	QoQ Change (%)	YoY Change (%)
Revenue from operations	152.8	40.7	47.6	17.0%	-68.8%
Other income	0.9	3.1	6.0	92.9%	546.9%
Total expenses	104.3	36.3	39.3	8.2%	-62.3%
EBITDA	49.4	7.5	14.3	91.6%	-71.0%
EBITDA margin (%)	32.1%	17.1%	26.7%	964	(541)
Finance costs	35.3	48.7	49.7	2.1%	40.9%
Depreciation & amortization	19.6	27.1	27.0	-0.3%	38.1%
PBT	(3.0)	(67.7)	(59.7)	-11.8%	NA
Tax expense	0.1	(7.1)	(6.2)	-13.6%	NA
PAT	(3.0)	(60.6)	(53.5)	-11.6%	NA
Cash Profit	16.2	10.4	(4.6)	NA	NA

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan



Consolidated Profit & Loss Statement Breakup – Q2 FY21

Rs. Cr	Same Hotels			New Hotels ¹	Total without Keys Hotels			Keys Hotels	Total		
	Q2FY20	Q2FY21	YoY Change	Q2FY21	Q2FY20	Q2FY21	YoY Change	Q2FY21	Q2FY20	Q2FY21	YoY Change
Inventory	3,975	3,975	0.0%	281	3,975	4,256	7.1%	936	3,975	5,192	30.6%
ARR	4,133	2,634	-36.3%	4,962	4,133	2,730	-34.0%	2,122	4,133	2,654	-35.8%
Occupancy	74.8%	35.5%	(3,928)	21.5%	74.8%	34.6%	(4,020)	22.4%	74.8%	32.4%	(4,239)
RevPAR	3,090	934	-69.8%	1,069	3,090	943	-69.5%	475	3,090	859	-72.2%
Revenue from Operations	152.8	39.0	-74.5%	3.3	152.8	42.2	-72.4%	5.4	152.8	47.6	-68.8%
Other Income	0.9	5.2	461.7%	0.0	0.9	5.2	462.3%	0.8	0.9	6.0	546.9%
Total expenses	104.3	31.9	-69.4%	2.3	104.3	34.2	-67.2%	5.1	104.3	39.3	-62.3%
EBITDA	49.4	12.3	-75.1%	1.0	49.4	13.3	-73.1%	1.1	49.4	14.3	-71.0%
EBITDA margin (%)	32.1%	27.9%	(426)	29.3%	32.1%	28.0%	(416)	17.1%	32.1%	26.7%	(541)
PBT	(3.0)	(39.9)	NA	(12.3)	(3.0)	(52.2)	NA	(7.5)	(3.0)	(59.7)	NA

Note : New Hotels include: Lemon Tree Premier Kolkata & Aurika Udaipur

Operational Performance by Brands & Region – Q2 FY20 vs. Q2 FY21

Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
	Q2 FY20	Q2 FY21	Change (bps)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (bps)
By Brand (#Rooms)												
Lemon Tree Premier (1,461)	75.4%	48.6%	(2,687)	5,069	2,850	-43.8%	2.0	0.6	-70.7%	42.5%	39.4%	(196)
Lemon Tree Hotels (1562)	72.7%	26.6%	(4,611)	3,948	2,498	-36.7%	1.2	0.1	-91.7%	34.5%	13.7%	(2,086)
Red Fox Hotels (850)	77.0%	29.9%	(4,710)	3,014	2,296	-23.8%	1.0	0.1	-94.5%	41.6%	8.7%	(3,291)
Parameters	Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin		
By Region (#Rooms)	Q2 FY20	Q2 FY21	Change (bps)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (%)	Q2 FY20	Q2 FY21	Change (bps)
Delhi (636)	86.0%	58.5%	(2,751)	4,312	2,921	-32.3%	1.7	0.6	-64.8%	38.6%	35.5%	(306)
Gurugram (529)	77.9%	24.7%	(5,314)	4,078	2,987	-26.7%	1.2	0.1	-90.1%	30.9%	13.8%	(1,712)
Hyderabad (663)	83.7%	33.5%	(5,018)	4,239	2,175	-49.3%	2.2	0.2	-91.3%	51.0%	24.9%	(2,609)
Bengaluru (493)	80.1%	23.7%	(5,631)	4,370	1,643	-62.4%	2.0	0.1	-96.3%	47.5%	17.7%	(2,986)
Mumbai (303)	50.3%	48.6%	(173)	6,219	3,789	-39.1%	1.3	0.9	-31.8%	36.5%	48.1%	1,153

Note:

1) These performance results do not include Lemon Tree Premier Kolkata, Aurika Udaipur and Keys.

Discussion on Consolidated Financial & Operational Performance – Q2 FY21

Revenue

- * Revenue from operations stood at Rs. 47.6 Cr in Q2 FY21, down 68.8% as compared to Rs. 152.8 Cr in Q2 FY20. On a sequential basis, revenue from operations increased 17.0% from Rs 40.7 Cr in Q1 FY21
- * ADR decreased by 35.8% from 4,133 in Q2 FY20 to 2,654 in Q2 FY21. However the ADR in Q2 FY21 was 1.1% higher than Rs 2,626 in Q1 FY21
- * Occupancy on full inventory decreased by 4,240bps from 74.8% in Q2 FY20 to 32.4% in Q2 FY21. On a sequential basis, the occupancy on full inventory increased by 347bps from 28.9% in Q1 FY21. Occupancy on operational inventory stood at 37.3%
- * Fees from managed hotels stood at Rs. 0.4 Cr in Q2 FY21 (0.8% of Revenue from operations)

Cost

- * Total expenses stood at Rs. 39.3 Cr in Q2 FY21 down 62.2% as compared to Rs 104.3 Cr in Q2 FY20. On a sequential basis, expenses increased by 8.2% Rs 36.3 Cr in Q1 FY21 due to higher operational inventory

Operating Margins

- * EBITDA decreased by 71.0% from Rs 49.4 Cr in Q2 FY20 to Rs 14.3 Cr in Q2 FY21. On a sequential basis, EBITDA increased 91.6% from Rs 7.5 Cr in Q1 FY21
- * EBITDA margin contracted by 541 bps from 32.1% in Q2 FY20 to 26.7% in Q2 FY21. On a sequential basis, the EBITDA margin has expanded by 964bps from 17.1% in Q1 FY21

Profit after tax

- * Profit after tax decreased from Rs (3.0) Cr in Q2 FY20 to Rs (53.5) Cr in Q2 FY21. The PAT in Q1 FY21 was Rs (60.6) Cr
- * Cash Profit for Q2 FY21 stood at Rs -4.6 Cr vs Rs 16.2 Cr in Q2 FY20. The Cash Profit in Q1 FY21 was 10.4 Cr

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

Consolidated Profit & Loss Statement – H1 FY21

Rs. Cr	H1 FY20	H1 FY21	YoY Change (%)
Revenue from operations	293.7	88.3	-69.9%
Other income	2.2	9.1	316.8%
Total expenses	200.5	75.6	-62.3%
EBITDA	95.4	21.8	-77.2%
EBITDA margin (%)	32.2%	22.4%	(986)
Finance costs	66.2	98.4	48.7%
Depreciation & amortization	36.7	54.1	47.3%
PBT	(4.4)	(127.4)	NA
Tax expense	0.8	(13.3)	NA
PAT	(5.1)	(114.1)	NA
Cash Profit	31.2	5.8	-81.2%

Note: Cash Profit is calculated as PAT + Depreciation + Portion of Finance Cost converted into loan

Consolidated Balance Sheet Snapshot

Rs. Cr	Sep '19	Mar '20	Sep '20
Shareholder's Funds	824.7	823.0	744.0
Non-controlling interests	430.9	721.8	861.4
Total Shareholder's equity	1,255.6	1,544.8	1,605.4
Gross Debt	1,334.9	1,577.5	1,661.7
Other Non-current liabilities	381.4	464.2	467.4
Other Current liabilities	258.5	176.3	137.5
Total Equity & Liabilities	3,230.4	3,762.8	3,872.0
Non-current assets	2,979.4	3,615.4	3,579.6
Current assets	251.0	147.3	292.4
Total Assets	3,230.4	3,762.8	3,872.0
Gross Debt to Equity (x)	1.06	1.02	1.04
<i>Net Debt</i>	<i>1,299.1</i>	<i>1,536.7</i>	<i>1,450.0</i>
Net Debt to Equity (x)	1.03	0.99	0.90
Average cost of borrowing (%)	9.62%	9.60%	9.17%

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, Kerela 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. 9,910 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 30st September, 2020 is Rs. 3,359 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 on 31st October, 2020)



Management Contracts Pipeline	Rooms	Expected Opening date
Lemon Tree Hotel, Jhansi	60	Nov-20
Lemon Tree Premier, Vijaywada	120	Jan-21
Lemon Tree Hotel, Aligarh	68	Jan-21
Lemon Tree Premier, Bhubaneshwar	76	Feb-21
Lemon Tree Hotel, BKC, Mumbai	70	Mar-21
Red Fox Hotel, Neelkanth	80	Mar-21
Keys Prima, Dehradun	40	Mar-21
Management Rooms to be Operational in FY21	514	
Lemon Tree Premier, Coorg	63	Apr-21
Lemon Tree Resort, Mussoorie	40	May-21
Serviced Suites, Manesar	260	Oct-21
Lemon Tree Hotel, Bokaro	70	Oct-21
Lemon Tree Hotel, Kathmandu	75	Dec-21
Lemon Tree Resort, Nagarkot, Nepal	51	Dec-21
Lemon Tree Resort, Thimpu	38	Dec-21
Lemon Tree Hotel, Rishikesh	102	Dec-21
Lemon Tree Hotel, Trivandrum	100	Mar-22
Lemon Tree Hotel, Agra	62	Mar-22
Lemon Tree Hotel, Darjeeling	55	Apr-22
Lemon Tree Hotel, Ludhiana	60	TBD
Lemon Tree Hotel, Gulmarg	35	TBD
Lemon Tree Hotel, Sonamarg	40	TBD
Lemon Tree Hotel, Ranthambore	60	TBD
Lemon Tree Premier, Dindy	50	TBD
Lemon Tree Hotel, Durgapur	80	TBD
Lemon Tree Hotel, Gwalior	104	TBD
Total Pipeline	1,859	

Note: The dates are under the best case scenario and as per latest update from owners based on their lines of credit



ANNEXURES

Portfolio Breakup as on 31st October 2020 - Operational

Operational Portfolio	Owned		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
31.10.2020								
Aurika	1	139	0	0	0	0	1	139
Lemon Tree Premier	7	1,442	2	161	7	713	16	2,316
Lemon Tree Hotels	13	1,241	4	321	19	1,128	36	2,690
Red Fox Hotels	5	759	2	193	5	471	12	1,423
Keys Prima	0	0	0	0	0	0	0	0
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	40	2,852	81	8,044

Portfolio Breakup as on 31st October 2020 - Pipeline

In Pipeline	Owned		Leased		Managed/Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
31.10.2020								
Aurika	1	669#	0	0	0	0	1	669
Lemon Tree Premier	0	0	0	0	5	349	5	349
Lemon Tree Hotels	1	79	0	0	18	1,390	19	1,469
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	25	1,859	27	2,607

#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%

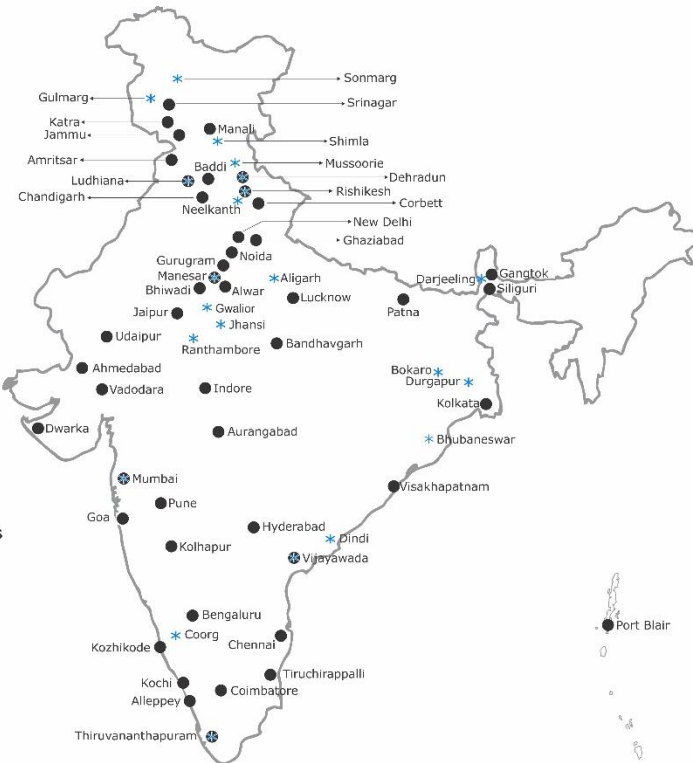
Bengaluru: FY20 – 6.1%
FY24E – 4.6%

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%



INTERNATIONAL DESTINATIONS

United Arab Emirates

● Dubai

Bhutan

● Thimphu

Nepal

* Kathmandu

* Nagarkot

● **Operating Hotels**

* **Upcoming Hotels**

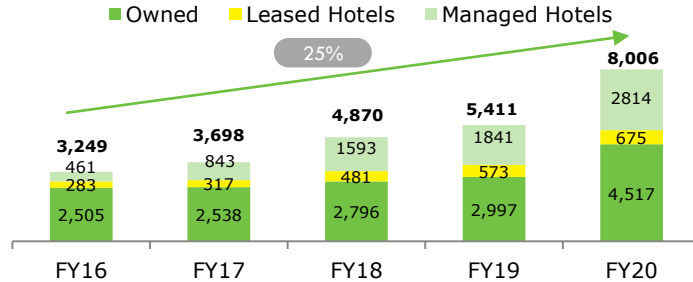
Source : Hotelivate Trends and Opportunities report 2019

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

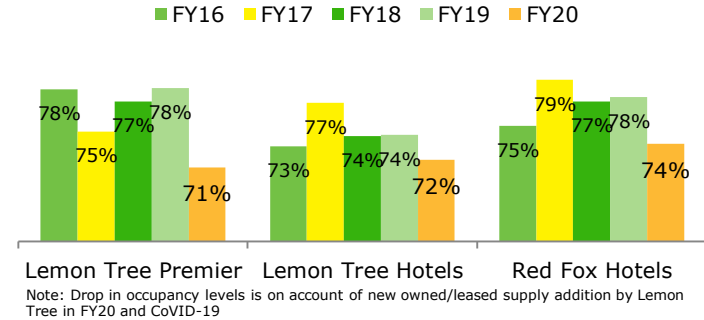
Map updated as of 15th May, 2020

Strong operating performance

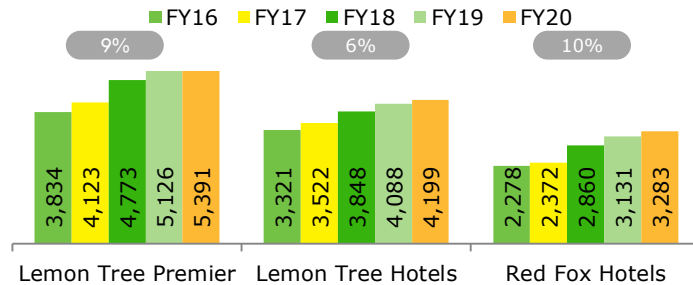
Rooms are being added...



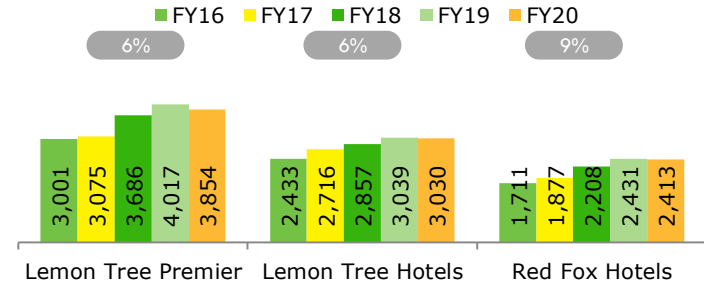
...and occupancy levels increasing...



...coupled with increasing ADR...



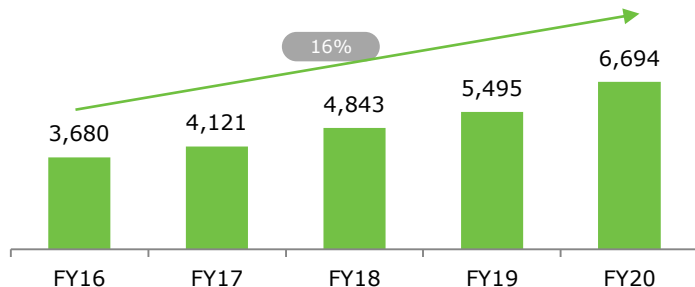
...leading to a RevPAR growth



Strong Growth and improving margins

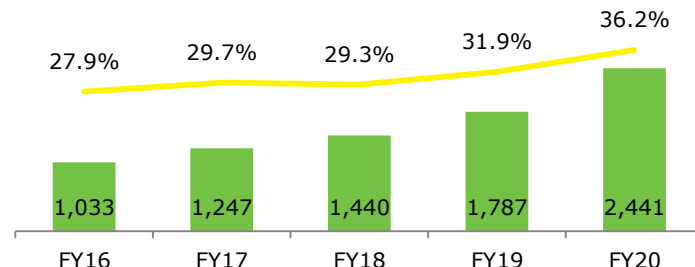
Revenue has increased at 20% over the last 5 years...

Revenue from operations (Rs. million)



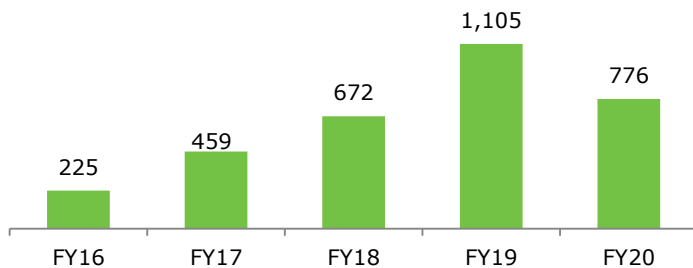
...coupled with increasing EBITDA margins

EBITDA & EBITDA margins



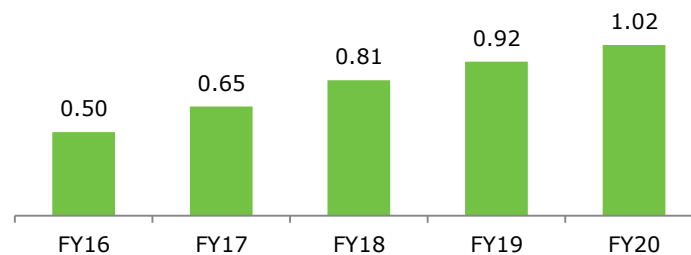
Increasing cash profit* growth

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



Gearing low

Debt/Equity



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	FY20
Shareholder's Funds	875.0	823.0
Non-controlling interests	432.2	721.8
Total Shareholder's equity	1,307.2	1,544.8
Total Debt	1,204.2	1,577.5
Other Non-current liabilities	38.0	464.2
Other Current liabilities	222.4	176.3
Total Equity & Liabilities	2,771.8	3,762.8
Non-current assets	2,575.3	3,615.4
Current assets	196.6	147.3
Total Assets	2,771.8	3,762.8
Debt to Equity (x)	0.92	1.02
Average cost of borrowing (%)	9.40%	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:

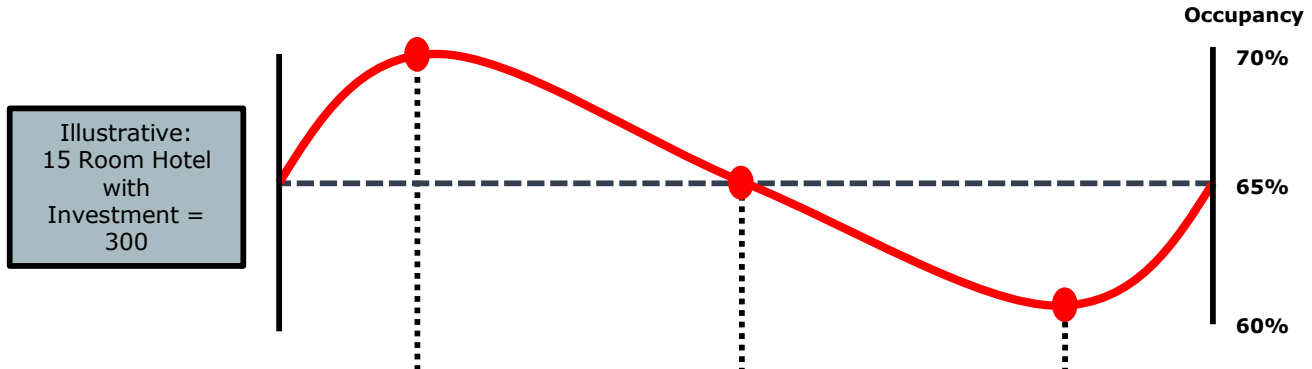
1) During the year FY20 3 hotels moved from toddler to adult category, 2 hotels moved from infant to toddler category and 11 new hotels entered into the infant category

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.

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	

Lemon Tree Hotels Limited (LTH) Q2 FY21 Earnings Conference Call

Time • 3:00 PM IST on Monday, November 9th, 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 81 hotels across 49 cities. As the current pipeline (as of 31st October 2020) becomes operational, LTH will be operating 108 hotels with ~10,650 rooms, across 69 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:

Kapil Sharma (Chief Financial Officer)

Lemon Tree Hotels Ltd

Tel: +91 11 4605 0174 / +91 11 4605 0153

E-mail: cfo@lemontreehotels.com

Anoop Poojari

CDR India

Tel: +91 22 6645 1211 / 97637 02204

E-mail: anoop@cdr-india.com

