

SCHLOSS BANGALORE PRIVATE LIMITED

Registered Office: The Leela Palace, Diplomatic Enclave, Africa Avenue, Netaji Nagar New Delhi South
Delhi 110023 Tel No. +91 (11) 39331234 Email Id: cs@theleela.com
CIN: U55209DL2019PTC347492

NOTICE

Notice is hereby given that Fourth Annual General Meeting of **SCHLOSS BANGALORE PRIVATE LIMITED** to be held at shorter notice on Friday, 29th September 2023 at 05.00 P.M. at Ground Floor, Tower No.2, Equinox Business Park, Kurla, Mumbai-400070, India to transact the following Business:

A. ORDINARY BUSINESS: -

1. Adoption of Financial Statements

To receive consider and adopt the Audited Balance sheet as at 31.03.2023, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the report of Directors and Auditors thereon.

B. SPECIAL BUSINESS:-

2. To approve the modification in the terms of Compulsorily Convertible Debentures

To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to modify the terms and conditions of Compulsorily Convertible Debentures with respect to the coupon rate and payment clause in the Term Sheet stands amended as under:

Coupon rate and payment	<p>Subject to applicable law, the CCD Holder shall be entitled to interest on the principal amount of CCDs outstanding at a rate of 10.50 % per annum till March 2029 and henceforth it would be 12.50% per annum, compounded on a yearly basis, until conversion of the CCDs. The interest shall be subject to deduction of Tax at source as required under the Income-Tax Act 1961 and the Rules made thereunder.</p> <p>The actual payment towards coupons/ interest to the CCD Holders, post the tax deduction at source, will be made subject to availability of distributable cash only after the Company and Schloss Chanakya Private Limited or Schloss Udaipur Private Limited or Schloss Chennai Private Limited ("Sister Companies") have repaid the entire facilities aggregating to not more than the principal amount of INR 2750 crores ("Loan") availed by the Company and the Sister Companies (jointly and severally) pursuant to the financing documents executed on or around 30 September 2019 ("Financing Documents"). The interest payments in any given year will be subject to lenders consent and be restricted to the total interest payable on the senior debt. The accrued and cumulative coupons / interest shall be carried forward for payment on the next payment date. Notwithstanding the above, the tax deduction at source on interest will be done and paid to the Government as required under applicable law.</p>
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RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matter and things as may be considered necessary, expedient, usual or proper to give effect to this resolution as they may in their absolute discretion deemed necessary or desirable in connection thereof or any matter incidental thereto."

3. Any other matter with the permission of Chairman

By order of the Board

For **Schloss Bangalore Private Limited**



Ravi Shankar

Director

07967039



Place: Mumbai

Date: 28-Sept-23



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NOTES:

1. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed.
2. The corporate members intending to send their authorized representatives to attend the meeting in terms of Section 113 of the Companies Act, 2013 are requested to send to the company a certified copy of the board resolution authorizing such representative to attend and vote on its behalf at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and the proxy need not be a member of the Company.
4. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the registered office of the company before the time fixed for the meeting.
5. Form for obtaining consent for holding this meeting at shorter notice is enclosed herewith.
6. For the convenience of the members the route map of the venue of the meeting is depicted at the end of the Notice.
7. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Members, whose names appear in the register of members/list of beneficial owners as on 26-Sep-23 i.e. the cut-off date, shall be entitled to vote on the resolutions set forth in this notice.
10. Save and except as mentioned elsewhere in this Notice, none of the Directors/Key Managerial Personnel of the Company and/or their relatives have any conflict of interest, financially or otherwise, in the any of the resolutions as set out in the Notice.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2:

The Company had issued Compulsorily Convertible Debentures (CCD's) as on 16th October, 2019 and as amended from time to time. It is proposed to modify the coupon rate and payment clause in the Term Sheet as under:

Coupon rate and payment	<p>Subject to applicable law, the CCD Holder shall be entitled to interest on the principal amount of CCDs outstanding at a rate of 10.50 % per annum till March 2029 and henceforth it would be 12.50% per annum, compounded on a yearly basis, until conversion of the CCDs. The interest shall be subject to deduction of Tax at source as required under the Income-Tax Act 1961 and the Rules made thereunder.</p> <p>The actual payment towards coupons/ interest to the CCD Holders, post the tax deduction at source, will be made subject to availability of distributable cash only after the Company and Schloss Chanakya Private Limited or Schloss Udaipur Private Limited or Schloss Chennai Private Limited ("Sister Companies") have repaid the entire facilities aggregating to not more than the principal amount of INR 2750 crores ("Loan") availed by the Company and the Sister Companies (jointly and severally) pursuant to the financing documents executed on or around 30 September 2019 ("Financing Documents"). The interest payments in any given year will be subject to lenders consent and be restricted to the total interest payable on the senior debt. The accrued and cumulative coupons / interest shall be carried forward for payment on the next payment date. Notwithstanding the above, the tax deduction at source on interest will be done and paid to the Government as required under applicable law.</p>
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The Board of Directors of the Company recommends the passing of the resolution in Item No. 02 of the notice as special resolution.

No directors, Key Managerial Personnel and their relatives are concerned and interested in the aforesaid resolution except to the extent of their shareholding and managerial interest in the Company.

By order of the Board

For **Schloss Bangalore Private Limited**

Ravi Shankar

Ravi Shankar

Director

07967039

Place: Mumbai

Date: 28-Sept-23



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ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

SCHLOSS BANGALORE PRIVATE LIMITED

CIN: U55209DL2019PTC347492

Registered Office: The Leela Palace, Diplomatic Enclave, Africa Avenue, Netaji Nagar New Delhi
South Delhi DL 110023

Venue of Annual General Meeting: - Ground Floor, Tower No.2, Equinox Business Park, Kurla,
Mumbai-400070 on 29th September 2023 at 5.00 P.M (IST)

Folio No./DP ID Client ID No.	
Name of First Named Member/Proxy/Authorized Representative	
Name of Joint Member(s), if any:	
No. of Shares held	

.....
Name of the Member/Proxy
(In BLOCK Letters)

.....
Signature of the Member/Proxy/
Authorized Representative

Note:

1. Members/Proxy holders are requested to bring their attendance slip with them when they come to attend the meeting and hand it over at the entrance after signing it.
2. Members/Proxy holders who come to attend at the meeting are requested to bring their copies of the Notice convening this Annual General meeting.

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Form No. MGT-11 Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	U55209DL2019PTC347492
Name of the Company	Schloss Bangalore Private Limited
Registered Office	The Leela Palace, Diplomatic Enclave, Africa Avenue, Netaji Nagar New Delhi South Delhi DL 110023
Venue of Annual General Meeting	Ground Floor, Tower No.2, Equinox Business Park, Kurla, Mumbai-400070

I/ We, being the member (s) of SCHLOSS BANGALORE PRIVATE LIMITED holding.....shares of the above named Company, hereby appoint

1	Name:	
	Address:	
	E-mail ID:	
	Signature:	

2	Name:	
	Address:	
	E-mail ID:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at an Annual General Meeting of members of the Company, to be held on Friday, the 29th day of September 2023 at 5.00 PM - Ground Floor, Tower No.2, Equinox Business Park, Kurla, Mumbai-400070 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	For	Against	Abstain
1	Ordinary Business : Adoption of Financials for FY 2022-23			
2.	Special Business: Modification in the terms of CCD's			

Signed this _____ day of _____ 2023

Signature of Shareholder(s) _____

Signature of Proxy holder(s) _____

Signed this _____ day of _____ 2023

Signature of Shareholder(s) _____

Signature of Proxy holder(s) _____

Note:

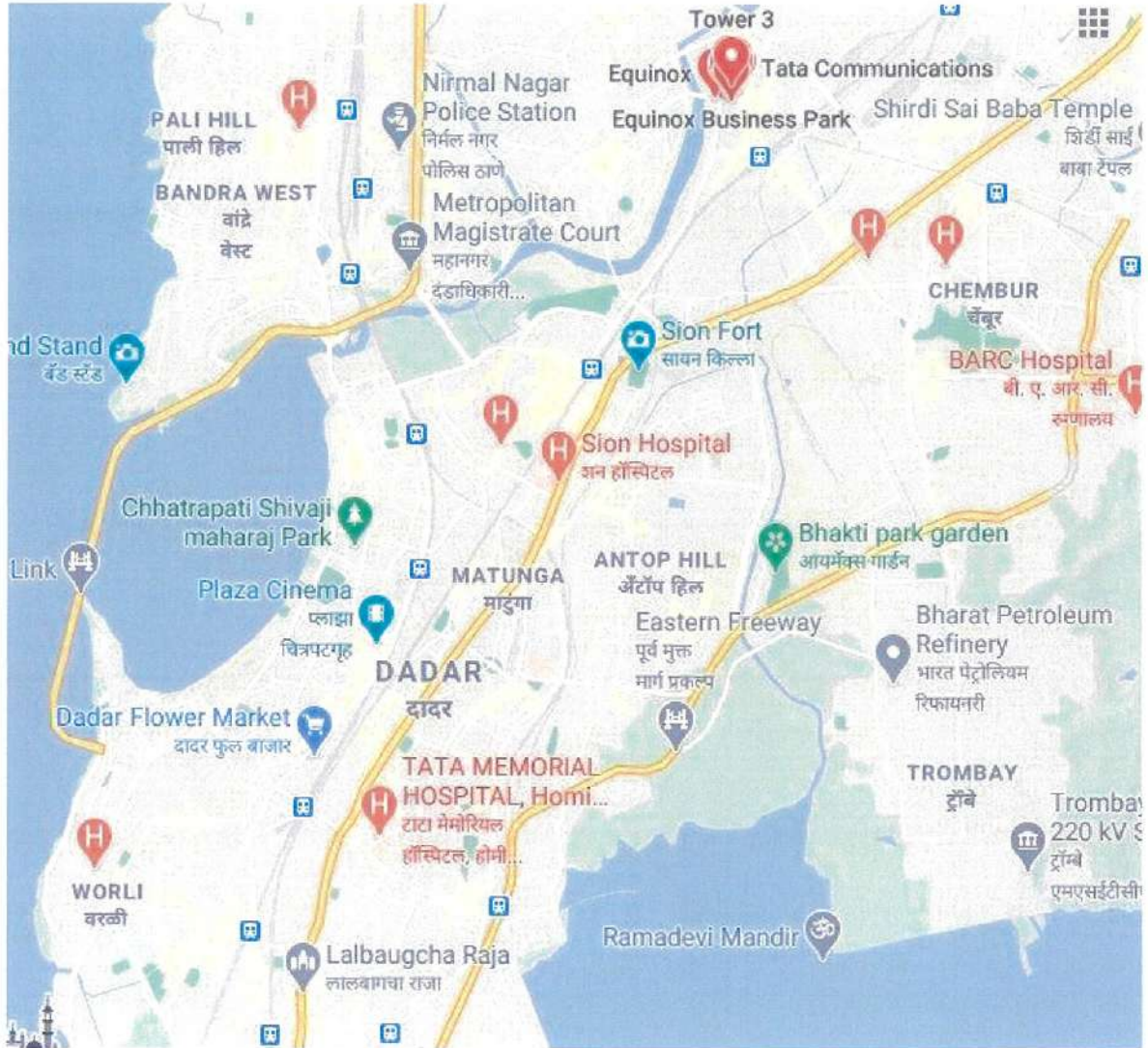
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to indicate your preference. If you leave the "For" or "Against" column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

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Road map for the Venue is enclosed



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DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the Fourth Annual Report of Schloss Bangalore Private Limited together with the Audited Statement of Accounts for the financial year ended March 31, 2023.

Schloss Bangalore Private Limited ("the Company") an Indian subsidiary of Project Ballet Bangalore Holdings (DIFC) Private Limited was incorporated on 20 March 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October 2019 by acquiring Bangalore hotel undertaking of HLV Limited. The Company is in the hospitality industry and operates hotel under the brand name of "THE LEELA".

Highlights of Financial Performance

Your company's Standalone performance during the Financial Year 2022-23 as compared with that of the previous Financial Year 2021-22 as summarized below.

(INR Millions)

Particulars	Financial Year 2022-23	Financial Year 2021-22
Total Income	3,081.27	1,177.37
Total Expense	3,521.64	2,717.08
Profit/(Loss) before Tax	(440.37)	(1,539.71)
Provision for Tax	-	-
Profit/(Loss) after Tax	(440.37)	(1,539.71)
Other Comprehensive Income	-	-
Profit/(Loss) carried to Balance Sheet	(440.37)	(1,539.71)

Summary of operation during the Current year ended on 31st March 2023

During the financial year under consideration, the company incurred loss of INR. 440.37M. Going ahead, the directors are taking all steps to improve the performance of the company.

Dividend

No dividend was declared/paid during the financial year ended March 31, 2023.

Transfer to Reserves

During the financial year ended March 31, 2023 company incurred losses so have not transferred any amount to Reserves.

Change in nature of business

There is no change in business of the company during the period under review.

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Share Capital

Authorized Share capital

The authorized share capital of your company as at 31st March 2023 stood at INR 675M divided into 67,500,000 equity shares of the face value of Rs. 10/- (Rupees Ten Only) each.

Further, there is no change in the authorized share capital till date.

Issue/paid-up share capital

The issued/paid-up share capital of your company as on 31st March 2023 stood at INR 201.70M divided into 2,01,69,566 equity shares of the face value of Rs. 10/- (Rupees Ten Only) each.

Further, there is no change in the issued/paid-up share capital till date.

Debentures

There is no issue/allotment of debentures or other securities during the year

Deposits

Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Subsidiary, Joint venture or Associate company

The particular of fellow subsidiaries is annexed as Annexure 'A' to the Board report.

Board of Directors and Key Managerial Personnel

The present directors of the company are Mr. Ravi Shankar, Mr. Anuraag Bhatnagar and Mr. Madhav Sehgal.

Further, as per the provision of section 2(51) and section 203 of the Companies Act 2013, there are no key managerial personnel in the company.

Meetings of Board of Directors

The Board had met Nine times during the financial year ended 31st March 2023. The date of board meetings are 08-Apr-22, 31-May-22, 01-Jul-22, 10-Aug-22, 12-Sep-22, 28-Sep-22, 1-Dec-22, 15-Mar-23 and 30-Mar-23.

Meetings of the Board held during the year, including attendance of each Director at all such meetings, are mentioned below:

Sr. No.	Date of the Meeting	Name of the Directors		
		Mr. Anuraag Bhatnagar	Mr. Ravi Shankar	Mr. Madhav Sehgal
1	08-Apr-22	Y	Y	-
2	31-May-22	Y	Y	-

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3	01-July-22	Y	Y	-
4	10-Aug-22	Y	Y	-
5	12-Sep-22	Y	Y	-
6	28-Sep-22	Y	Y	Y
7	1-Dec-22	Y	Y	-
8	15-Mar-23	Y	Y	-
9	30-Mar-23	Y	Y	-

Board's Comment on Auditor's Report

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Statutory Auditors

M/s BSR & Co. LLP, Chartered Accountants have been appointed for five years in the first Annual General Meeting and thus, are holding office of the statutory auditors of the company from the conclusion of 1st Annual General Meeting until the conclusion of the 6th Annual General Meeting.

Internal Financial Control and its adequacy

Internal Financial Control means the policies/procedures adopted by the company for ensuring the orderly and efficient conduct of business, including adherence to the same, the safeguarding of company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information / statements. The company has adhered to the internal financial control with reference to its financial statements.

Vigil Mechanism

The company has in place a vigil mechanism that provides adequate safeguards against victimization of employees/directors who avail of the vigil mechanism and also provide for direct access to the Board of Directors, in exceptional cases, thereby ensuring that the activities of the company are conducted in a fair and transparent manner.

Particulars of Loans, Guarantees or Investment under Section 186 of the Companies Act, 2013

During the financial year under review, the company has not given any loan, guarantee or investment in terms of Section 186 of the Companies Act, 2013.

However, your company has given Inter-corporate deposits to its group companies in due compliance of the Section 186 of the Companies Act, 2013.

Related Party Transactions

All the related party transactions entered during the financial year were in the ordinary course of business and on an arm's length pricing basis. The Particulars of such transactions is annexed as "Annexure B" to the Board Report.

Material Changes Affecting the Financial Position of the company

No material changes affecting financial position of the company occurred after close of financial year and up to the date of this report.

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Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules thereunder, the Board has appointed, M/s Jignesh Makawana, Practicing Company Secretaries, (Membership No: F9920 and CP No. 13928) to conduct the secretarial audit of the company. The Secretarial Audit Report for the financial year ended 31st March 2023, is annexed herewith and marked as Annexure 'C' to this Report.

Policy on Directors appointment & remuneration:

The provision of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable on the company.

Declaration by Independent Director:

The provision of Section 149 pertaining to the appointment of Independent Director do not apply on the company.

Directors' Responsibility Statement

(A) Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm that:

- i. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- ii. The Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern basis; and
- v. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi. The company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the company.

(B) The details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government: **None**

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The details of Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

A. Conservation of Energy:

The steps taken or impact on conservation of energy	During the year under review company have taken initiative which includes Chiller plants,
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	Walk in cold room and deep rooms, variable frequency drive and Building management system for conservation of energy.
The steps taken by the company for utilising alternate sources of energy	The company will explore the options to utilize alternative sources of energy, wherever possible
The capital investment on energy conservation equipment	INR 620 M

B. Technology Absorption:

The efforts made towards technology absorption	NIL
The benefits derived like product improvement, cost reduction, product development or import substitution	NIL
In case of imported technology – the details of technology imported, year of import, whether the technology has been fully absorbed, if not fully absorbed, areas where absorption has not taken place and the reasons thereof	NIL
The expenditure incurred on research and development	NIL

C. Foreign Exchange Earnings/ Outgo (INR Millions)

Earnings	-
Outgo	95.65

Risk Management

The processes and practices of risk management encompass risk identification, classification and evaluation. The company identifies all strategic, operational and financial risks that the company faces, by assessing and analyzing the latest trends in risk information available internally and externally and using the same to plan for risk management.

Particulars of Employees

The list of employees whose details are required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if applicable, is available with company and can be produced on demand.

Significant & materials orders passed by the regulators or courts or tribunal

No significant or material order / judgment have been passed against / in favour of the company during the year.

Maintenance of cost records

The company was not required to prepare and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

Corporate Social Responsibility (CSR)

As per the provision of section 135(5) the Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years or where the

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company has not completed the year of three financial years since its incorporation, during such immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy

The company does not meet the criteria as specified above, therefore, the provisions relating to Corporate Social Responsibility are not applicable.

Safe & Conducive Workplace

The company is committed to provide a safe and conducive work environment to its employees. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Compliance of Secretarial Standards

The secretarial standards on meetings of Board and shareholders issued by the Institute of Company Secretaries of India have been duly complied in respect of the meetings of Board and shareholders held during the year.

Dematerialization

All equity shares and Debentures issued by the company are in demat form as on the date of the report

Acknowledgement

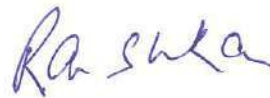
The directors wish to place on record their sincere appreciation and gratitude to the various offices of Government, Reserve Bank of India, the Registrar of Companies, Bankers and to the Shareholders for their co-operation in functioning of the company.

For and on behalf of the Board of Directors



Name: Anuraag Bhatnagar
Designation: Director
DIN: 07967035

Place: Mumbai
Date: 28-Sep-23



Name: Ravi Shankar
Designation: Director
DIN: 07967039

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ANNEXURE A

Annexures to Directors' Report

FORM AOC-1

Statement pursuant to Section 129 of the Companies Act, 2013

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A":

Subsidiaries- Details of Fellow Subsidiaries are as below

Sl No	Name of the Fellow Subsidiary	Date of association
1	Schloss Chennai Private Limited	11 September 2019
2	Schloss HMA Private Limited	11 September 2019
3	Schloss Udaipur Private Limited	11 September 2019
4	Schloss Gandhinagar Private Limited	11 September 2019
5	Leela Palaces and Resorts Limited	16 October 2019
6	Tulsi Palace Resort Private Limited	03 May 2021
7	Schloss Tadoba Private Limited	16 August 2022
8	Moonburg Power Private Limited	29 March 2023

Part "B": Associates - NIL

The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations- NA
2. Names of associates or joint ventures which have been liquidated or sold during the year.-NA.

For and on behalf of the Board of Directors



Name: Anuraag Bhatnagar
Designation: Director
DIN: 07967035

Place: Mumbai
Date: 28-Sep-23





Name: Ravi Shankar
Designation: Director
DIN: 07967039

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'ANNEXURE B' **FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NA

Sl No	Particulars	Details
a.	Name of the related Parties	Not Applicable
b.	Nature of relationship	
c.	Nature of contracts/arrangements/transactions	
d.	Duration of the contracts / arrangements/transactions	
e.	Salient terms of the contracts or arrangements or transactions including the value, if any	
f.	Justification for entering into such contracts or arrangements or transactions	
g.	date(s) of approval by the Board	
h.	Amount paid as advances, if any:	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl No	a.	b	C	d	e	f	g
	Name of Related Party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
	Refer Note No 36 of the Notes to Account of the Financials for the year ended 31.3.2023						

All the related party transactions are on arm's length basis or in ordinary course of business.

For and on behalf of the Board of Directors



Name: Anuraag Bhatnagar
Designation: Director
DIN: 07967035

Place: Mumbai
Date: 28-Sep-23



Name: Ravi Shankar
Designation: Director
DIN: 07967039



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

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

To,
The Members,
Schloss Bangalore Private Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Schloss Bangalore Private Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Management's responsibility

The Management along with the Board of Directors are responsible for ensuring that the Company complies with the provisions of all applicable laws and maintains the required statutory records and documents in the prescribed manner.

Auditor's responsibility

Our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances



may not be detected, even though the audit is properly planned and performed in accordance with the CSAS.

Basis for Opinion

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

Opinion

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and provided as scanned copies in electronic mode and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;- N.A
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

Provisions relating to Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company during the Financial Year;



CS Jignesh Makwana

Practicing Company Secretary

S-16, Sej Plaza Marve Road, Malad West
Mumbai - 400 064

Tel: 022 4970 4800

E: csjmakwana@gmail.com

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not Applicable to the Company during the Audit Period;**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- **Not Applicable to the Company during the Audit Period;**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company during the Audit Period;**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not Applicable to the Company during the Audit Period;**
- e) The Securities and Exchange Board of India (Issue and Listing of Non- convertible Securities) Regulations, 2021 - **Not Applicable to the Company during the Audit Period;**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable to the Company during the Audit Period;**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Audit Period;**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit Period; and**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") - **Not Applicable to the Company during the Audit Period.**

(vi) Other laws applicable to the Company as per the representation given by the Company are listed in Annexure - A.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.



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During the period under review and subject to the explanations given to us and the representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The compliances by the Company of applicable financial laws like Direct and Indirect tax laws **have not been reviewed in this** Audit since the same are subject to review by Statutory Financial Audit.

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors as applicable.

Adequate notice is given to all directors to schedule the Board Meetings, were sent as per the compliance of the Companies Act, 2013, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Board decisions are carried out with the assenting views of the Directors.

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

This Report is to be read with our letter of even date which is annexed as **Annexure - B** and forms an integral part of this report.



CS Jignesh Makwana
Practicing Company Secretary
Mem No.: F9920
COP: 13928
UDIN: F009920E001082618

Date: September 26, 2023
Place: Mumbai



CS Jignesh Makwana

Practicing Company Secretary

S-16, Sej Plaza Marve Road, Malad West
Mumbai - 400 064

Tel: 022 4970 4800

E: csjmakwana@gmail.com

Annexure – A

List of other applicable laws to the Company:

1. Employees State Insurance Act, 1948;
2. Employees Provident Fund and Misc. Provisions Act, 1952;
3. Payment of Bonus Act, 1965;
4. Payment of Gratuity Act, 1965;
5. Workmen's Compensation Act, 1923;
6. Shops and Establishment Act, 1954;
7. Minimum Wages Act, 1948;
8. Payment of Wages Act, 1936;
9. Trade Unions Act, 1926;
10. Income Tax Act, 1961;
11. Profession Tax Act, 1975;
12. Hotel Insurance Policies and Other Local Laws.



CS Jignesh Makwana

Practicing Company Secretary

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Annexure - B

To,
The Members,
Schloss Bangalore Private Limited

Our report of even date is to be read along with this letter.

1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
2. Wherever required, we have obtained Management representation about the Compliance of the various other laws, rules and regulations and happening of events etc.
3. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



CS Jignesh Makwana
Practicing Company Secretary
Mem No.: F9920
COP: 13928
UDIN: F009920E001082618

Date: September 26, 2023
Place: Mumbai

Independent Auditor's Report

To the Members of Schloss Bangalore Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Schloss Bangalore Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and 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 is also responsible for overseeing the Company's financial reporting process.

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

BSR & Co. (a partnership firm with Registration No. BAS1223) converted into BSR & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-6161) with effect from October 14, 2013



Independent Auditor's Report (Continued)**Schloss Bangalore Private Limited**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



Independent Auditor's Report (Continued)

Schloss Bangalore Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 31 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 45 (vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 45 (vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company have neither declared nor paid any dividend during the year.
 - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.



Independent Auditor's Report (Continued)

Schloss Bangalore Private Limited

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248WW-100022

J. H. Sheth

Jaymin Sheth

Partner

Place: Mumbai

Membership No.: 114583

Date: 27 September 2023

ICAI UDIN:23114583BGZDAQ8556



Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Bangalore Private Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in every three years. In accordance with this programme, all property, plant and equipment were verified during the year based on listing as on 31 March 2022. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (INR in million)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
5.0 MW (1.25 MW of 4 Nos) Wind Mill at Kudrekonda State Forest, Davangere District, Karnataka	0.59	M/s. Sarjan Realities Limited	No	07 January 2021	Title deeds are in the process of being transferred in the name of the Company

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



**Annexure A to the Independent Auditor's Report on the Financial Statements
of Schloss Bangalore Private Limited for the year ended 31 March 2023
(Continued)**

- (ii) (a) The inventory, which has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has not provided guarantee or security or has granted loans and advances in the nature of loans to companies, firms, limited liability partnership or any other parties during the year. The company has granted unsecured loans to employees during the year in respect of which the requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

Particulars	Loans (INR in millions)
Aggregate amount during the year Loans to employees	1.76
Balance outstanding as at balance sheet date Loans to employees	1.72

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans to employees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of loans given to employees (which as per the Company policy is interest free) is stipulated. The payment of principal has been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.



Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Bangalore Private Limited for the year ended 31 March 2023 (Continued)

- (iv) According to the information and explanation given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Section 185 and 186 of Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Service Tax and Value added tax or Cess or other statutory dues, which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in million)	Period which amount relates to	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	40.36	April 2007 - December 2012	Customs Excise and Service Tax Appellate Tribunal	-
Karnataka Value Added Tax Act, 2003	Value Added Tax	1.28	2015-16	Joint Commissioner of Commercial Taxes (Appeals)	-

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



- Page 8 of 11



**Annexure A to the Independent Auditor's Report on the Financial Statements
of Schloss Bangalore Private Limited for the year ended 31 March 2023
(Continued)**

and hence, provisions of Section 192 of the Act are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current year. However cash losses incurred in the immediately preceding financial year was of Rs. 1,031.43 million.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248WW-100022

J. H. Sheth

Jaymin Sheth

Partner

Place: Mumbai

Date: 27 September 2023

Membership No.: 114583

ICAI UDIN:23114583BGZDAQ8556



Annexure B to the Independent Auditor's Report on the financial statements of Schloss Bangalore Private Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (l) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Schloss Bangalore Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



Annexure B to the Independent Auditor's Report on the financial statements of Schloss Bangalore Private Limited for the year ended 31 March 2023 (Continued)

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248WW-100022

J. H. Sheth

Jaymin Sheth

Partner

Place: Mumbai

Membership No.: 114583

Date: 27 September 2023

ICAI UDIN:23114583BGZDAQ8556



SCHLOSS BANGALORE PRIVATE LIMITED
Balance Sheet as at 31 March 2023

Particulars	Note	As at 31 March 2023	(Rupees in millions) As at 31 March 2022
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital			
Reserves and surplus	3	201.70	201.70
	4	(2,385.37)	(1,945.01)
		(2,183.67)	(1,743.31)
Non-current liabilities			
Long-term borrowings	5	14,602.87	14,599.53
Other long-term liabilities	6	505.49	327.82
Long-term provisions	7	22.95	27.70
		15,131.31	14,955.05
Current liabilities			
Short-term borrowings			
Trade payables	8	1,507.42	1,411.06
- Dues of micro enterprises and small enterprises	9		
- Dues of creditors other than micro enterprises and small enterprises		24.39	21.08
Other current liabilities		143.20	84.08
Short-term provisions	10	312.73	222.78
	11	4.28	0.89
		1,992.02	1,739.90
Total		14,939.66	14,951.64
ASSETS			
Non-current assets			
Property, plant and equipment and Intangible Assets			
Property, Plant and Equipment			
Intangibles assets	12	12,778.97	12,708.57
Capital work-in-progress	13	878.46	1,164.13
Deferred tax assets (net)	14	63.10	32.98
Investments	15	-	-
Long-term loans and advances	16	0.19	0.19
Other non-current assets	17	100.75	22.32
	18	280.70	290.07
		14,102.17	14,218.26
Current assets			
Inventories			
Trade receivables	19	58.10	58.07
Cash and bank balances	20	84.69	67.14
Short-term loans and advances	21	537.90	516.78
Other current assets	22	56.12	60.69
	23	70.68	30.70
		837.49	733.38
Total		14,939.66	14,951.64

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements.

1-46

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

J.H. Sheth

Jaymin Sheth

Partner

Membership Number: 114583

Place: Mumbai

Date: 27 September 2023



For and on behalf of the board of directors of
Schloss Bangalore Private Limited
CIN: U55209DL2019PTC347492

Aniruddha Bhatnagar
Director

DIN: 07967038

Place: Mumbai

Date: 27 September 2023

Ravi Shankar

Ravi Shankar
Director

DIN: 07967039

Place: Mumbai

Date: 27 September 2023

Anand Upadhyay

Anand Upadhyay
Company Secretary

Membership Number: A23622

Place: Mumbai

Date: 27 September 2023

Statement of profit and loss for the year ended 31 March 2023

(Rupees in millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	24	3,038.56	1,145.98
Other income	25	42.71	31.39
Total income		3,081.27	1,177.37
Expenses			
Consumption of food and beverages	26	243.84	110.29
Employee benefits expense	27	416.57	287.07
Finance costs	28	1,428.57	1,228.54
Depreciation and amortisation expense	29	468.45	468.32
Other expenses	30	965.01	612.86
Total expenses		3,521.64	2,717.08
Loss before tax		(440.37)	(1,539.71)
Tax expense			
- Current tax		-	-
- Deferred tax charge / (credit)		-	-
Loss after tax		(440.37)	(1,539.71)
Earning per equity share (in rupees)	35		
Basic earnings per share (Face value Rs.10 each)		(21.89)	(76.53)
Diluted earnings per share (Face value Rs.10 each)		(21.89)	(76.53)
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements.	1-46		

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 27 September 2023

**For and on behalf of the board of directors of
Schloss Bangalore Private Limited
CIN: U55209DL2019PTC347492**

~~Amirag Bhargava~~
Director
DIN: 07967835

Place: Mumbai
Date: 27 September 2023

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: 27 September 2021

Anand S.
Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date: 27 September 2023



SCHLOSS BANGALORE PRIVATE LIMITED
Cash flow statement for the year ended 31 March 2023

(Rupees in millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Loss before tax for the year	(448.37)	(1,539.71)
Adjustments for:		
Depreciation and amortisation	468.45	468.31
Finance costs	1,428.56	1,228.55
Property, plant and equipment written off	-	-
Profit on sale of property, plant and equipment (net)	(2.24)	(4.25)
Rent equalisation reserve	26.22	40.34
Lease equalisation income	-	-
Provision no longer required written back	-	(0.37)
Compensated absences written back	(24.76)	(7.38)
Interest income	1,455.86	185.99
Operating cash flows before working capital changes		
Working capital movements:		
Increase in loans and advances	(6.86)	(3.79)
Increase in inventories	(30.04)	(6.17)
Increase in trade receivables	(17.55)	(41.65)
Increase in other assets	(29.56)	(21.46)
Increase in trade payables	62.42	(47.77)
Increase in other liabilities	27.53	(23.77)
Decrease in provisions	(1.35)	(7.20)
Cash generated from operations	1,460.45	33.69
Income taxes paid, net	(14.89)	(15.75)
Net cash flows generated from operating activities (A)	1,445.56	17.94
Cash flows from investing activities		
Payments for property, plant and equipments including capital work in progress	(319.20)	(1,400.55)
Proceeds from sale of property, plant and equipment	2.86	4.25
Investment in fixed deposits	(92.17)	(65.45)
Interest received	11.77	7.03
Purchase of non-current investments	-	(0.18)
Net cash flows used in investing activities (B)	(396.74)	(1,454.90)
Cash flows from financing activities		
Proceeds from long-term borrowings	294.10	2,054.07
Repayment of long-term borrowings	(73.45)	(321.46)
Repayment of short-term borrowings	(3.02)	-
Proceeds from issuance of compulsory convertible debentures	-	79.64
Proceeds from issuance of equity shares including securities premium	-	1,121.94
Loans and advances taken, net	(117.95)	(1,005.03)
Finance costs paid (Refer note 5A(i))	(1,242.93)	(1,005.03)
Net cash flows generated from financing activities (C)	(1,143.25)	1,929.16
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(94.43)	492.18
Cash and cash equivalents as at beginning of the year	503.78	11.60
Cash and cash equivalents at the end of the year	409.35	503.78
Components of cash and cash equivalents		
Cash on hand	1.03	0.74
Balance with banks		
- in current account	38.32	143.04
- in fixed deposit account with original maturity of less than 3 months	370.00	360.00
Total cash and cash equivalents (Refer note 21)	409.35	503.78

The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Accounting Standard -3 on "Cash Flow Statements" referred to in Companies Act, 2013.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

G. H. Sheela
Jaymin Sheela
Partner
Membership Number: 114583

Place: Mumbai
Date: 27 September 2023



For and on behalf of the board of directors of
Schloss Bangalore Private Limited
CIN: U55209DL2019PTC347492

Anurag Bhatnagar
Director
DIN: 07967805

Place: Mumbai
Date: 27 September 2023

Ravi Shankar
Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: 27 September 2023

Anand S
Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date: 27 September 2023



1 Company information

Schloss Bangalore Private Limited ("the Company") an Indian subsidiary of Project Ballet Bangalore Holdings (DIFC) Private Limited was incorporated on 20 March 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October 2019 by acquiring Bangalore hotel undertaking of HLV Limited. The Company is in the hospitality industry and operates hotel under the brand name of "THE LEELA".

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The accompanying financial statements are prepared in compliance with the requirements under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard Amendment Rules, 2016) and other Generally Accepted Accounting Principles ("GAAP") in India, under the historical cost convention, on the accrual basis of accounting. The financial statements are prepared in Indian rupees in millions.

2.2 Going Concern

The Company has incurred a loss of Rs.440.37 millions during the year ended 31 March 2023, has accumulated losses of Rs.4077.31 millions and negative net worth of Rs.2183.67 millions at 31 March 2023 and as of that date, the Company's current liabilities exceeded its current assets by Rs.1154.53 millions.

This year the Company has seen quite an improvement in business over the previous year, as this year the Company has fully recovered from the impact of COVID-19.

Based on these initiatives undertaken by the Company, there is adequate cash balance to meet its obligations.

The Company has assessed its capital and financial resources, profitability and overall liquidity position. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions, the Company as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of assets.

In view of the above, the Company believes that it will be able to meet all its contractual obligations and liabilities as and when they fall due in near future and accordingly, these financial statements have been prepared on a going concern basis.

2.3 Use of estimates

The preparation of financial statements in conformity with GAAP in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.4 Current / Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

Current assets include the current portion of non-current assets

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.5 Foreign exchange translation**Initial recognition**

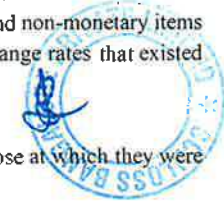
Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Conversion

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference

Exchange differences arising on the settlement or on reporting of monetary items of Company at rates different from those at which they were initially recognized are recorded as income or expense in the year in which they arise.



2.6 Cash flow statement

Cash flows are reported using indirect method, whereby profit / (loss) before tax for the year is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

2.7 Cash and cash equivalents

Cash comprises of cash in hand and demand deposits with banks. cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.8 Earnings per share

The basic and dilutive earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

2.9 Revenue recognition

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management and operating fees. Rebates and discounts granted to customers are reduced from revenue.

Interest income

Interest income is recognised on a time proportion basis taking into account amount outstanding and interest rate applicable.

Dividend income

Dividend income is recognised when the Company's right to receive payment is established by the reporting date.

2.10 Property, plant and equipment

Property, plant and equipment (tangible assets) are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment upto the date the asset is ready for its intended use.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of buildings, plant and machinery and furniture and fixtures, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into the account the nature of the asset, the estimated usage of the asset, aspects such as modifications effected since acquisition, the present condition of the existing assets and level of maintenance.

Depreciation is provided on a pro-rata basis i.e. from the date on which assets is ready for use. Depreciation on sale of asset is provided up to the date of sale of the asset.

Based on the above, the estimated useful lives of the property, plant and equipment are as follows:

Category of assets	Useful life as per Schedule II (in years)	Useful life as per Technical Assessment (in years)
Buildings	60 years	60 years
Plant and machinery	15 years	10 years to 15 years
Plant and machinery - Windmill	25 years	25 years
Furniture and fixtures	8 years	8 years
Office equipments	5 years	Not Applicable
Computers	3 years	Not Applicable
Data processing units	6 years	Not Applicable
Vehicles	6 years	Not Applicable

In respect of leasehold land acquired, any consideration paid is amortised from the date the land is put to use for commercial operations, over the balance period of the lease.

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.



2.11 Intangible assets

Intangible assets are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are amortized on a straight-line basis over the period in which economic benefits will be derived from their use. The amortisation period and the amortisation method are reviewed at least each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Based on the above, the estimated useful lives of the intangible assets are as follows:

Category of assets	Useful life (in years)
Computer software	6 years
Right to use (Car park space)	60 years
Goodwill	5 years

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

2.12 Impairment of assets

In accordance with AS 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

2.13 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws applicable to the Company.

Deferred tax

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in the subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

2.14 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.15 Employee benefits**Short-term benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, short term compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits (including compensated absences) expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period of rendering of service by the employee.



2.15 Employee benefits (Continued)

Long term employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

(Post-employment benefit)

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

Other long-term employee benefits

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or received cash compensation on termination of employment. The Company records obligation for compensated absences in the period in which the employee renders services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation.

2.16 Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a weighted average basis) or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

2.17 Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Investments held by the Company which are long term in nature are stated at cost unless there is any permanent diminution in value where provision for diminution is made on individual investment basis. Current investments are valued at cost or market price or fair value, whichever is lower. Earnings on investments are accounted for on accrual basis.

2.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

2.19 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.



2.19 Provisions and contingent liabilities (Continued)

Contingencies:

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

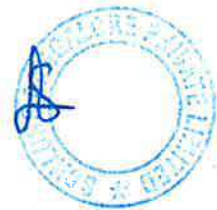
Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.20 Segment Reporting

The Company has considered business segments as the primary segments for disclosure on the basis that the risk and returns of the Company is primarily determined by the nature of services.

Revenues and expenses have been identified to the segment based on their relationship to the business activity of the segment.

Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are at prices which are generally market led.



SCHLOSS BANGALORE PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

3 Share capital

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Authorised		
67,500,000 (Previous year: 67,500,000) equity shares of Rs.10 each	675.00	675.00
Issued, subscribed and paid up	675.00	675.00
20,169,566 (Previous year: 20,169,566) equity shares of Rs.10 each, fully paid up	201.70	201.70
	201.70	201.70

a) Reconciliation of number of shares and amounts at the beginning and at the end of the reporting period

Particulars	As at 31 March 2023		(Rupees in millions)	
	No. of shares	Amount	As at 31 March 2022	Amount
At the beginning of the year			1,93,73,216	193.73
Shares issued during the year	2,01,69,566	201.70	7,96,350	7.96
At the end of the year	2,01,69,566	201.70	2,01,69,566	201.70

b) Rights, preference and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

c) Shares held by holding company / ultimate holding company

Particulars	As at 31 March 2023		(Rupees in millions)	
	No. of shares	Amount	As at 31 March 2022	Amount
Equity shares of Rs. 10 each fully paid-up				
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	2,01,69,565	201.70	2,01,69,565	201.70
BSREP III India Ballet Holdings (DIFC) Limited, ultimate holding company	1	0.00	1	0.00
	2,01,69,566	201.70	2,01,69,566	201.70

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of Rs. 10 each fully paid-up				
Project Ballet Bangalore Holdings (DIFC) Private Limited	2,01,69,565	99.99%	2,01,69,565	99.99%
	2,01,69,565	99.99%	2,01,69,565	99.99%

e) Company has not issued any bonus shares, shares for consideration other than cash and neither bought back any shares from the date of incorporation.

f) Disclosure of Shareholding of Promoters

Equity shares of Rs. 10 each fully paid-up Promoters	As at 31 March 2023		As at 31 March 2022		Change in % of Holding
	No. of shares	% of Holding	No. of shares	% of Holding	
Project Ballet Bangalore Holdings (DIFC) Private Limited	2,01,69,565	99.99%	2,01,69,565	99.99%	99.99%
BSREP III India Ballet Holdings (DIFC) Limited	1	0.00%	1	0.00%	0.00%
	2,01,69,566	99.99%	2,01,69,566	99.99%	99.99%



4 Reserves and surplus

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Securities premium account:		
At the commencement of the year		
Add: Premium on shares issued during the year	1,691.94	1,620.27
At the end of the year	-	71.67
Retained earnings:	1,691.94	1,691.94
At the commencement of the year	(3,636.94)	(2,097.24)
Add: Loss for the year	(440.37)	(1,539.71)
At the end of the year	(4,077.31)	(3,636.94)
Total	(2,385.37)	(1,945.01)

5 Long-term borrowings

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Secured:		
Term loans:		
- From banks		
Rupee term loan (Refer note A and C)	11,390.20	11,169.54
Less : Amount disclosed under short term borrowings (Refer note A(d) below)	(290.07)	(54.20)
	11,100.13	11,115.34
Working capital term loan (Refer note B)	1,999.99	2,000.00
Less : Amount disclosed under short term borrowings (Refer note B(c) below)	-	(18.56)
	1,999.99	1,981.44
Unsecured:		
10.50% unsecured compulsorily convertible debentures (Refer note D)	1,502.75	1,502.75
Long-term maturities of finance lease obligation (Refer note E)	-	-
Total	14,602.87	14,599.53

Notes:

A Term loan from Bank 1

The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the Company and three co-borrowers i.e. Schloss Chennai Private Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited, for a total amounting to Rs. 27,500.00 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property acquired (Rs. 2,000 millions) fully fungible amongst each of the three co-borrowers and the Company's hotel property in Bangalore. The term of the loan is 15 years including moratorium of one year. The loan is repayable in 56 quarterly structured installments beginning 31 December 2020. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to annual reset, plus spread ranging from 0.80% to 1.60% based on the external credit rating. The Company has available facility of Rs. 960 millions (Previous Year: Rs. 960 millions) and rate of interest as on 31 March 2023 is 8.70 % p.a. (Previous year 7.80 % p.a).

With the gradual drawdown of capex in the past three years the individual limits set for Schloss Chennai Private Limited and Schloss Udaipur Private Limited got exhausted and an application to the lender was made for revision in the individual limits. However, due to the system limitation at the end of the lender, the same cannot be revised and accordingly a cross utilisation of capex limit was done during the year. The Company has cross charged the interest expense on such utilisation.

(a) Primary security:

The total term loan under the said agreement is secured against assets of the Company, other co-borrowers and obligors i.e. Schloss HMA Private Limited and Leela Palaces and Resorts Limited under the Common Facility Agreement, inter alia, including:

- Exclusive charge on the total assets (including mortgage of property and / or mortgage of leasehold rights in case of leasehold property, if any) (present & future).
- Exclusive charge on brand 'Leela' pertaining to Hotels, other intangibles, Goodwill, Intellectual Property (IP), uncalled capital (present and future);
- Exclusive charge on all bank accounts including but not limited to Escrow account (present & future);
- First charge on the total current assets (present and future);
- Hypothecation of cash flows

5 Long-term borrowings (Continued)

Notes (Continued):

A Term loan from Bank (Continued)

(b) Corporate guarantee:

- of Schloss HMA Private Limited, a fellow subsidiary.
- of Leela Palaces and Resorts Limited, a fellow subsidiary.

(c) Other security:

- Pledge of 30% shares of the Company held by the Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.
- A guarantee of BSREP III India Ballet Pte. Limited, ultimate Holding company, situated at Singapore upto an amount of Rs. 3,000 millions, enforceable at Singapore towards meeting the shortfall in debt service obligations till 30 March 2022.
- A guarantee of BSREP III India Ballet Holdings (DIFC) Limited, ultimate Holding company, situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations from 31 March 2022.
- Mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

(d) Current maturities of long-term borrowings are classified as short-term borrowings.

(e) Modification in facility terms:

Lender on the request of the management has waived the requirement of testing of financial covenants till the end of FY 2022-23 with testing to be performed on the audited balance sheet as at 31 March 2024 onwards.

(f) Moratorium on interest:

Company has availed the moratorium facility for interest on term loan for the period March, 2020 to August 2020 which has been further capitalised into term loan w.e.f. 01 October 2020 amounting Rs. 428.62 millions (Previous year 428.62 millions).

(g) The quarterly returns or statements of current assets i.e. stock statement, FFRs etc. filed by the Company with banks or financial institutions are in agreement with the books of



5 Long-term borrowings (Continued)

Notes (Continued):

- B** The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 3.0 (GECL 3.0) facility of Rs. 2000 millions (Previous Year: 2000 millions) on 24 December, 2021 to the Company to augment net working capital, requirements to meet operational liabilities. The door to door tenure of the loan is 6 years including moratorium of principal of two years. The loan is repayable in 48 quarterly structured installments beginning January 2024. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR"), plus 1%, subject to annual reset.

(a) Primary security:

Second charge on securities mentioned in A.1.(a) above.

(b) Other security:

- i) Pledge of 30% shares of the Company held by the Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.
ii) Extension of mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

(c) Current maturities of long-term borrowings are classified as short term borrowings.

C Term loan II

The lender had availed a term loan facility under Lease Rental Discounting (LRD) facility under the Master Facility Agreement dated 17 March 2021 to the Company, amounting to Rs. 1,400.00 millions for the purpose of acquisition of the Galleria office in Bangalore. The door to door tenure of the loan was 12 year including moratorium of one year. The loan was repayable in 132 monthly structured installments beginning March 2022. The loan carried interest rate linked to Original Lenders' Lenders Benchmark Rate with negative Spread of 130 bps per annum. The rate during the year was 7.75% (Previous year 7.95%).

During the year, the said facility was refinanced from SBI for amount of Rs 1,100 millions. The door to door tenure of the loan is 15 years from the date of first disbursement. The loan's repayable tenure is 180 monthly structured installments beginning December 2021. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to monthly and annual reset, plus spread of 0.75%. The rate of interest as on March 31, 2023 is 9.15% p.a. (Previous year 7.75%)

(a) Primary Security:

Exclusive first charge on hypothecation of existing and future rent receivables including lease rentals, parking rental, maintenance receivables and any other receivables from existing tenants of the commercial building named "Galleria" from 1st floor to 7th floor, located at Sy. no. 94, 95, 96, HAL Stage - II, Old airport road, Kodihalli village, Varthur Hobli, now part of municipal no. 23/4, PID no. 74-49-23/4, situated at Kodihalli main road, 6th cross, Bangalore admeasuring 15,203.98 sq. ft.

(b) Collateral Security:

(a) Exclusive first charge on the commercial building named "Galleria" from 1st floor to 7th floor, located at Sy. no. 94, 95, 96, HAL Stage - II, Old airport road, Kodihalli village, Varthur Hobli, now part of municipal no. 23/4, PID no. 74-49-23/4, situated at Kodihalli main road, 6th cross, Bangalore admeasuring 15,203.98 sq. ft. along with underlying land admeasuring 24,404 sq. mtrs.

(b) Assignment (by way of security interest) the right to use 305 car parking space.

(c) Exclusive charge as Lien on 3 months DSRA

(d) Exclusive charge on Escrow account

(c) Current maturities of long-term borrowings are classified as short term borrowings.

D 10.50% unsecured compulsorily convertible debentures

(a) Conversion terms:

At the end of the tenure (15 years), each Compulsorily Convertible Debentures ("CCD") of face value of Rs 100 each will be converted into 1 equity share of face value of Rs 10 each. CCD can be converted during the tenure of CCD at the option of the parties i.e. CCD holders and the Company. Provided that the CCDs shall automatically stand converted into equity shares upon:

(a) Commencement of the corporate insolvency resolution process of the Company or, any of the co-borrowers under the Common Facility Agreement dated 30 September 2019 executed with the lender; or

(b) Conversion of loan into equity of the Company or any or all of the co-borrowers under the Common Facility Agreement, unless otherwise instructed by the lender as per the Common Facility Agreement who have provided the loans or who may have acceded to the financing documents.

(b) Restriction on payment of interest on CCDs:

As per terms of the Common Facility Agreement referred at clause 5(A) above, interest on the CCDs shall be accrued but cannot be paid by the Company until all the obligations under Common Facility Agreement are completed or seized.

E Long-term maturities of finance lease obligation

Finance lease obligation is on account of Plant and Machinery (Chiller) taken on finance lease for a period of 3 years which ended in August 2022. Repayments are done by equated monthly installments over 36 months.

6 Other long-term liabilities

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Trade / security deposits	78.05	77.35
Rent equalisation reserve	138.62	112.40
Interest accrued but not due CCD (Refer note 5B(b) and 28)	289.82	138.07
	<u>505.49</u>	<u>327.82</u>

7 Long-term provisions

Particulars		
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
- Compensated absences	3.81	3.02
- Gratuity (Refer note 37)	19.14	24.68
	<u>22.95</u>	<u>27.70</u>

8 Short-term borrowings

Particulars		
	As at 31 March 2023	As at 31 March 2022
Secured		
Working capital loan (Refer note A)	117.36	120.38
Unsecured		
Inter corporate deposit from related party (Refer Note B) and (Refer note 36)	1,099.99	1,217.94
Current maturities of long-term borrowings (Refer note 5A(d) and 5B(c))	290.07	72.76
	<u>1,507.42</u>	<u>1,411.08</u>



8 Short-term borrowings (Continued)

Notes:

(A) Working capital loan

The lender has granted a working capital facility as per Agreement dated 11 August 2020 to the Company and three co-borrowers i.e. Schloss Chennai Private Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited, for a total amounting to Rs. 500.00 millions (Previous Year 500.00 millions) to meet the working capital requirement and it is repayable on demand. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to monthly reset. The rate of interest as on 31 March 2023 is 9.25 % p.a. (Previous year 7.95 % p.a.).

(a) Primary security:

Exclusive first charge on the entire current assets (Present and Future) of the Borrower and Schloss HMA Private Limited (hotel management entity).

(b) Collateral security:

(i) Extension of exclusive charge on the entire fixed assets (including mortgage of property and/or mortgage of lease hold rights in case of lease hold property, if any) of the borrower.

(ii) Extension of exclusive charge on all cash flows of the borrower and Schloss HMA Private Limited (hotel management entity), related to project (including but not limited to ESCROW account and Debt Service Reserve Accounts) opened/to be opened with lender.

(iii) Extension of mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

(iv) Extension of exclusive charge on brand Leela, other intangibles, goodwill, IP relating to the 4 SPVs owned by Schloss HMA Private Limited.

(v) Extension of pledge of 30% shares of (i) Schloss Chanakya Private Limited held by BSREP III India Ballet I Pte. Ltd. (ii) Schloss Udaipur Private Limited held by Project Ballet Udaipur Holdings (DIFC) Pvt. Limited. (iii) Schloss Bangalore Private Limited held by Project Ballet Bangalore Holdings (DIFC) Pvt. Limited. (iv) Schloss Chennai Private Limited Project Ballet Chennai Holdings (DIFC) Pvt. Limited, in favour of the lender for the entire exposure (TL+WC).

(c) Corporate guarantee:

i) of Schloss HMA Private Limited, a fellow subsidiary.

ii) of Leela Palaces and Resorts Limited, a fellow subsidiary.

iii) A guarantee of BSREP III India Ballet Pte. Limited, ultimate Holding company, situated at Singapore upto an amount of Rs. 3,000 millions, enforceable at Singapore towards meeting the shortfall in debt service obligations till 30 March 2022.

iv) BSREP III India Ballet Holdings (DIFC) Limited. (Ultimate Holding Company) to the extent of Rs. 3,000.00 millions to meet any shortfall in debt servicing obligation of the Borrower shall be extended to the proposed loan from 31 March 2022.

(d) The quarterly returns or statements of current assets i.e. stock statement, EFRs etc. filed by the Company with banks or financial institutions are in agreement with the books of

(D) Inter corporate deposit (ICD) from related party

Inter corporate deposit has been taken from Schloss Udaipur Private Limited, Schloss Chennai Private Limited and Schloss Chanakya Private Limited. The ICD carries interest rate of 12.5 % p.a and same are repayable on demand. During the year, an amount of Rs 117.93/- mn towards ICD taken from Schloss Chanakya Private Limited have been repaid

9 Trade payables

(Rupees in millions)

Particulars	As at 31 March 2023	As at 31 March 2022
- Total outstanding dues of micro enterprises and small enterprises (Refer note below)	24.39	21.08
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (Refer note 36)	56.87	11.99
- Others	86.33	72.09
	167.59	105.16

Note:

Dues of micro enterprises and small enterprises

(Rupees in millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	24.39	21.08
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.00	0.00
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.56	1.02
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.00	0.01
Further interest remaining due and payable for earlier years	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises as defined under MSMED Act.



SCHLOSS BANGALORE PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

9 Trade payables (Continued)

As at 31-03-2023

Particulars	Outstanding for following periods from date of transaction					Total
	Accrued expenses	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	24.39	-	-	-	24.39
(ii) Others	50.70	92.50	-	-	-	143.20
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	50.70	116.89	-	-	-	167.59

As at 31-03-2022

Particulars	Outstanding for following periods from date of transaction					Total
	Accrued expenses	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	21.08	-	-	-	21.08
(ii) Others	10.46	73.41	0.20	-	-	84.07
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	10.46	94.49	0.20	-	-	105.15



10 Other current liabilities

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
To related parties (Refer Note 36)		
Interest accrued and due on inter corporate deposit	124.43	1.23
Settlement in relation with business acquisition	-	-
Management fees payable	-	-
Other than related parties		
Current maturities of finance lease obligation	0.39	1.97
Interest accrued but not due on borrowings	-	88.32
Advance from customers	104.19	53.36
Employee dues payable	15.48	28.73
Statutory dues payable		
- Tax deducted at source and equalisation levy	29.52	26.76
- Goods and service tax	-	-
- Provident fund	2.75	1.90
- Profession tax	0.11	0.06
- Employees state insurance	0.16	0.10
Trade / security deposits	6.35	19.27
Capital creditors	29.35	1.08
	<u>312.73</u>	<u>222.78</u>

11 Short-term provisions

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
- Compensated absences	0.43	0.31
- Gratuity (Refer note 37)	3.85	0.58
	<u>4.28</u>	<u>0.89</u>



12 Property, plant and equipment

(Rupees in millions)

	Building	Freehold land**	Leasehold land	Plant and machinery (including windmill) *	Property, plant and equipment Furniture and fixtures	Office equipments	Computers and data processing units	Vehicles	Total
Gross block									
At 01 April 2021	3,834.77	7,982.16	728.03	446.39	35.35	4.03	12.40	93.69	13,136.82
Additions/transfer in during the year	68.74	-	-	13.85	0.86	0.09	0.94	-	84.48
Disposals/transfer out during the year	-	-	-	-	-	-	-	1.89	1.89
At 31 March 2022	3,903.51	7,982.16	728.03	460.24	36.21	4.12	13.34	91.80	13,219.41
Additions/transfer in during the year	15.73	-	-	155.36	56.37	-	23.40	-	250.86
Disposals/transfer out during the year	-	-	-	4.16	1.00	-	-	-	5.16
At 31 March 2023	3,919.24	7,982.16	728.03	611.44	91.58	4.12	36.74	91.80	13,465.11
Accumulated depreciation									
At 01 April 2021	117.70	-	23.02	128.21	32.58	2.93	5.01	22.87	332.33
For the year	86.25	-	15.80	56.48	1.56	0.48	2.74	17.09	180.39
Disposals during the year	-	-	-	-	-	-	-	1.89	1.89
At 31 March 2022	203.95	-	38.82	184.70	34.14	3.41	7.75	38.07	510.83
For the year	87.60	-	15.80	45.87	3.70	0.48	9.33	17.07	179.85
Disposals during the year	-	-	-	3.54	1.00	-	-	-	4.54
At 31 March 2023	291.55	-	54.62	227.03	36.84	3.89	17.08	55.14	686.14
Net block at 31 March 2023	3,627.69	7,982.16	673.41	384.41	54.74	0.23	19.66	36.66	12,778.97
Net block at 31 March 2022	3,699.56	7,982.16	689.21	275.55	2.07	0.71	5.60	53.73	12,708.57

* The windmills acquired by the Company under the Business Transfer Agreement (BTA) entered with HLV Limited are situated on a forest land which was leased to Sarjan Realities Limited by the Ministry of Environment and Forest. The registration for sub-lease of the said land from Sarjan Realities Limited to HLV Limited and thereafter to the Company is pending to be executed.

** This land was purchased by the company from Leela Lace Holdings Private Limited in March 2021 which was earlier on lease during the previous year. The transfer represents change in the ownership in the name of the Company.



13 Intangible assets

(Rupees in millions)

	Computer software	Intangible assets Right to use (Car park space)	Goodwill	Total
Gross block				
At 01 April 2021	8.33	420.00	1,399.80	1,828.13
Additions during the year	0.78	-	-	0.78
At 31 March 2023	9.11	420.00	1,399.80	1,828.91
Additions during the year	2.94	-	-	2.94
Disposals during the year	-	-	-	-
At 31 March 2023	12.05	420.00	1,399.80	1,831.85
Accumulated amortisation				
At 01 April 2021	4.00	10.20	362.65	376.85
For the year	0.97	7.00	279.96	287.93
At 31 March 2022	4.97	17.20	642.61	664.78
For the year	1.65	7.00	279.96	288.61
Disposals during the year	-	-	-	-
At 31 March 2023	6.62	24.20	922.57	953.39
Net block at 31 March 2023	5.43	395.80	477.23	878.46
Net block at 31 March 2022	4.15	402.80	757.19	1,164.13

14 Capital work-in-progress

(Rupees in millions)

At 01 April 2021	1.48
Additions during the year	101.82
Assets capitalised during the year	70.32
At 31 March 2022	32.98
Additions during the year	283.91
Assets capitalised during the year	253.80
Net block at 31 March 2023	63.10

Capital work in progress (CWIP) Ageing Schedule

At 31 March 2023	Amount in Capital work in progress for a period of			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Capital work in progress	60.19	2.91	-	-
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
				63.10

At 31 March 2022

At 31 March 2022	Amount in Capital work in progress for a period of			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Capital work in progress	32.98	-	-	-
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
				32.98



15 Deferred tax assets (net)

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
The components of deferred tax balances are as follows:		
(A) Deferred tax assets		
Arising on account of timing differences in:		
Provision for employee benefits	-	-
Disallowance u/s 43B of the Income-tax Act, 1961	196.10	111.45
Unabsorbed depreciation / business loss (Refer note below)	174.83	188.09
	<u>370.93</u>	<u>299.54</u>
(B) Deferred tax liability		
Arising on account of timing differences in:		
Provision for employee benefits	7.46	3.87
Excess of depreciation / amortisation on property, plant and equipment under income tax laws over depreciation / amortisation provided in the books	363.47	295.67
	<u>370.93</u>	<u>299.54</u>
Deferred tax assets (net) - (A)-(B)	<u>-</u>	<u>-</u>

Note

Deferred tax asset is recognised only to the extent of deferred tax liabilities, as this amount is considered to be virtually certain of realization. The remaining deferred tax assets of Rs. 733.89 millions on account of unabsorbed depreciation and business losses are not recognised, as they are not considered to be virtually certain of realization.

16 Non-current investments

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Other investments (valued at cost unless stated otherwise)		
Investment in equity instruments (unquoted)		
18,600 (31 March 2022: 18,600) equity shares of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	0.19	0.19
	<u>0.19</u>	<u>0.19</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	0.19	0.19
Aggregate provision for diminution in value of investments	-	-

17 Long term loans and advances

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good:		
Capital advances	64.24	0.69
Advance tax and tax deducted at source (net of provisions)	36.51	21.63
	<u>100.75</u>	<u>22.32</u>



18 Other non-current assets

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	5.96	3.40
Margin money deposits with original maturity of more than 12 months	2.95	0.38
Fixed deposit account with original maturity of more than 12 months	101.17	127.12
Security deposits	170.62	159.17
	<u>280.70</u>	<u>290.07</u>

19 Inventories

(At lower of cost and net realisable value)

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Food and beverages	15.56	19.90
Stores and operating supplies	72.54	38.17
	<u>88.10</u>	<u>58.07</u>

20 Trade receivables

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Receivables outstanding for a period exceeding six months from the date they were due for payment:		
- Unsecured, considered good	0.82	3.51
- Unsecured, considered doubtful	-	-
	<u>0.82</u>	<u>3.51</u>
Less: Provision for doubtful receivables	-	-
	<u>0.82</u>	<u>3.51</u>
Other receivables:		
- Unsecured, considered good	83.87	63.63
	<u>83.87</u>	<u>63.63</u>
	<u>84.69</u>	<u>67.14</u>



SCHLOSS BANGALORE PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

20 Trade receivables (Continued)
As at 31-03-2023

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	83.87	0.82	-	-	-	84.69
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
Less: provision for doubtful debts	-	-	-	-	-	-
Total	83.87	0.82	-	-	-	84.69

As at 31-03-2022

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	63.63	3.51	-	-	-	67.14
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
Less: provision for doubtful debts	-	-	-	-	-	-
Total	63.63	3.51	-	-	-	67.14



21 Cash and bank balances

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents:		
Cash on hand	1.03	0.74
Balance with banks		
- in current accounts	38.32	143.04
- in fixed deposit account with original maturity of less than 3 months	370.00	360.00
Other bank balances		
- in deposit accounts with original maturity of more than 3 months but less than 12 months	128.55	13.00
	537.90	516.78

22 Short-term loans and advances

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good:		
Security deposits	0.40	5.23
Advance to suppliers	6.06	5.24
Prepaid expenses	29.80	31.54
Balances with government authorities	18.14	18.45
Loans and advances to employees	1.72	0.23
	56.12	60.69

23 Other current assets

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Other than related parties		
Interest accrued on deposits	14.69	1.70
Other Receivable	5.71	-
Unbilled revenue	50.28	29.00
	70.68	30.70



24 Revenue from operations

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Sale of products:		
Food and beverages revenue	1,258.26	491.73
(b) Sale of services:		
Room income	1,409.28	396.08
Income from rental and related services	223.58	210.05
Other allied services (laundry income, health club income, airport transfers, membership etc.)	147.44	48.12
	1,780.30	654.25
	3,038.56	1,145.98

25 Other income

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income		
- fixed deposit	22.68	6.01
- others	2.08	1.37
Provision no longer required written back	-	-
Compensated absence written back (Refer Note 36)	-	0.37
Profit on sale of property, plant and equipment (net)	2.24	4.25
Net gain or loss on foreign currency transaction and translation (net)	0.37	-
Miscellaneous income	15.34	19.39
	42.71	31.39

26 Consumption of food and beverages

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	19.90	21.15
Add: Purchases	238.70	109.04
	258.60	130.19
Less: Inventory at the end of the year	15.56	19.90
	243.04	110.29

27 Employee benefits expense

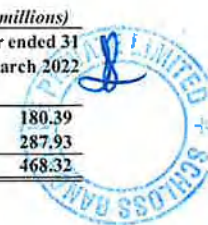
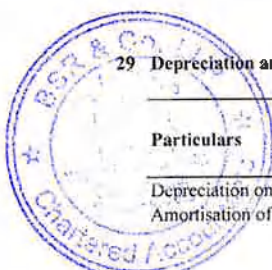
Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	380.85	233.79
Contribution to provident fund, employees state insurance and labour welfare fund (Refer note 37)	14.76	12.60
Gratuity expenses (Refer note 37)	6.45	0.74
Compensated absences (Refer note 35)	0.91	-
Staff welfare expenses	13.60	39.94
	416.57	287.07

28 Finance costs

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on:		
- Term loans	1,097.25	977.63
- Working Capital Term Loan	10.14	9.43
- Compulsorily convertible debentures (CCDs)	172.29	157.79
- Inter corporate deposit	146.35	46.28
- Finance lease and Others	0.02	1.17
Other borrowing costs (term loan fee, processing fee and advisory fee)	2.52	8.24
Loan prepayment Charges	-	28.00
	1,428.57	1,228.54

29 Depreciation and amortisation

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on Property, Plant & Equipments	179.84	180.39
Amortisation of intangible assets	288.61	287.93
	468.45	468.32



SCHLOSS BANGALORE PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

30 Other expenses

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and operating supplies	69.18	47.39
Power and fuel	65.74	56.94
Rent	128.76	128.76
Repairs and maintenance	-	-
- buildings	34.00	18.43
- plant and machinery	48.74	43.14
- others	36.34	20.66
Insurance	9.91	10.49
Communication	3.26	3.48
Travelling and conveyance	9.09	2.85
Guest transport	15.41	6.80
Printing and stationary	6.14	2.28
Sales and credit card commission	39.47	10.14
Business promotion	106.31	41.92
Management fees (Refer note 35)	192.89	43.37
Legal and professional fees	38.42	49.36
Payment to auditor's (Refer note below)	1.80	1.70
Rates and taxes	62.17	86.64
Net gain or loss on foreign currency transaction and translation	-	0.54
Provision for doubtful debts	1.84	-
Bank charges	0.72	0.29
Miscellaneous Expenses	94.82	47.68
	965.01	622.86

Payment to auditor's (excluding taxes)

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory audit	1.80	1.70
Reimbursement of expenses	-	-
	1.80	1.70



31 Contingent liabilities and commitments

(Rupees in millions)		
(a) Contingent liabilities		
Particulars	As at 31 March 2023	As at 31 March 2022
Disputed Statutory liabilities (refer note below)	41.64	38.53
	41.64	38.53
Note:		
The breakup of disputed statutory liabilities is as under:		
(Rupees in millions)		
Particulars	As at 31 March 2023	As at 31 March 2022
Department In appeals		
Service tax *	40.36	37.41
VAT #	1.28	1.12
	41.64	38.53

*Service tax department has raised demand on HLV Limited vide Show Cause Notice ("SCN") on account of disallowance:

- (a) of CENVAT availed on debit notes raised by Leela Lace Holding Private Limited for service tax paid on lease rental under Voluntary Compliance Encouragement Scheme ("VCEs") introduced by Ministry of Finance, Government of India to encourage payment of taxes on undisclosed income;
- (b) on account of classification of in-room dining and mini bar under room accommodation (HLV Limited has paid service tax on in-room dining and mini bar service under restaurant category (department has considered the said services under room accommodation category to levy tax) and
- (c) of abatement claimed under rent-a-cab on account of input availed on car washing, maintenance etc.

Order to SCN was received in favour of HLV Limited. However, in departmental query the issue was raised again and the department has filed an appeal before CESTAT against the order received in favour of HLV Limited.

Deputy Commissioner of Commercial taxes has raised demand vide show cause notice (SCN) on account of following:

- (a) Disallowance of input credit on account of non-filing of return by vendors along with interest.
- (b) Dy. Commissioner also levied penalty for delay in making payment of taxes.

Subsequently the tax amount of Rs. .08 million has been paid by the company. The interest and penalty amount has been waived as per govt order number FD 49 CSL 2021 dated 29 March 2021. Thus the matter has achieved closure.

(b) Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounts to Rs 125.19mn.(Previous year Rs Nil)

(Rupees in millions)		
32 Expenditure in foreign currency (on payment basis)		
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Other expenses (advertisement fee, commission fee, sales and marketing fee, reservation fee etc.)	64.66	24.21
	64.66	24.21

33 Details of imported and indigenous consumption (Rupees in millions)

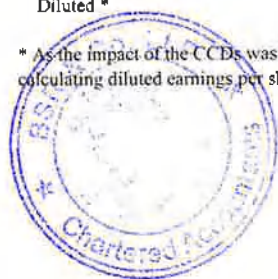
Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Amount	% of total consumption	Amount	% of total consumption
Imported	-	-	-	-
Indigenous	243.04	100.00%	110.29	100.00%
	243.04	100.00%	110.29	100.00%

(Rupees in millions)		
34 Value of imports on CIF basis		
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Property, Plant and Equipment	30.99	-
	30.99	-

35 Earnings per share
Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earnings Per Share' - (AS-20) prescribed under Section 133 of the Companies Act, 2013.

(Rupees in millions except per share data)		
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss after tax	(440.37)	(1,539.71)
Weighted Average Number of Equity Shares:		
Considered in calculation of Basic EPS	2,01,18,690	2,01,18,690
Considered in calculation of Diluted EPS	2,01,18,690	2,01,18,690
Face value per Equity Share (Rupees)	10	10
Earnings Per Share (Rupees)		
Basic	(21.89)	(76.53)
Diluted *	(21.89)	(76.53)

* As the impact of the CCDs was anti-dilutive, resulting in a decrease in loss per share from continuing ordinary activities, the effect thereof has been ignored whilst calculating diluted earnings per share.



SCHLOSS BANGALORE PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

36 Related party disclosures**(a) Names of related parties****(i) Ultimate Holding company**

BSREP III India Ballet Holdings (DIFC) Limited, ultimate holding company (w.e.f 30 March 2022)

BSREP III India Ballet Pte. Ltd. (Till 30 March 2022)

(ii) Holding company

Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company (w.e.f 30 March 2022)

BSREP III India Ballet III Pte. Ltd. (Till 30 March 2022)

(iii) Fellow subsidiaries

Schloss HMA Private Limited

Schloss Chennai Private Limited

Schloss Udaipur Private Limited

Schloss Chanakya Private Limited (Till 30 March 2022)

Schloss Gandhinagar Private Limited

Leela Palaces and Resorts Limited

Tulsi Palace Resort Private Limited (w.e.f 3rd May 2021)

Moonburg Power Private Limited (w.e.f 29th March 2023)

Schloss Tadoba Private Limited (w.e.f. 16th August 2022)

(iv) Key managerial personnel

Mr. Anuraag Bhatnagar, Director

Mr. Ravi Shankar, Director

Mr. Kunal Chauhan, General Manager (Till 16 July 2021)

Mr. Madhav Sehgal, General Manager (w.e.f 14th August 2021)

Mr. Subrat Sinha, Financial Controller

(v) Other related parties

Schloss Chanakya Private Limited (w.e.f 31 March 2022)

(b) Transactions during the year*(Rupees in millions)*

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Management fees expense		
Schloss HMA Private Limited	192.89	43.37
Reimbursement of expenses paid to / (received from)		
Schloss Chennai Private Limited	1.41	0.13
Schloss HMA Private Limited	21.66	13.55
Schloss Udaipur Private Limited	(0.27)	0.56
Schloss Chanakya Private Limited	(0.24)	(0.14)
Schloss Gandhinagar Private Limited	-	(0.13)
Tulsi Palace Resort Private Limited	(155.58)	(0.23)
Interest income on capex limit utilisation (refer note 5A)		
Schloss Udaipur Private Limited	0.035	-
Inter corporate deposit taken		
Schloss Udaipur Private Limited	-	975.00
Schloss HMA Private Limited	-	210.00
Schloss Chennai Private Limited	-	565.00
Schloss Chanakya Private Limited	-	195.00
Inter corporate deposit settlement		
Schloss HMA Private Limited	-	210.00
Schloss Udaipur Private Limited	-	371.00
Schloss Chennai Private Limited	-	165.00
Schloss Chanakya Private Limited	117.94	77.06
Interest on inter corporate deposit		
Schloss Udaipur Private Limited	87.50	23.27
Schloss HMA Private Limited	-	12.14
Schloss Chennai Private Limited	50.00	8.89
Schloss Chanakya Private Limited	9.29	1.99
Interest on 10.50% unsecured compulsorily convertible debentures		
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	172.29	157.79
Managerial remuneration*		
Mr. Kunal Chauhan	-	4.44
Mr. Madhav Sehgal	13.27	6.66
Mr. Subrat Sinha	4.03	3.74

* Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole.



36 Related party disclosures (Continued)

(c) Outstanding balances

(Rupees in millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables (Including provisions)		
Schloss HMA Private Limited	54.96	13.38
Schloss Udaipur Private Limited	-	0.30
Schloss Chennai Private Limited	1.64	0.10
Schloss Chanakya Private Limited	0.28	
Other receivable		
Schloss Chanakya Private Limited	-	0.14
Trade receivable		
Schloss Gandhinagar Private Limited	-	0.16
Tulsi Palace Resort Private Limited	-	0.04
Other advances		
Schloss Udaipur Private Limited	0.02	-
Receivable against reimbursements		
Schloss HMA Private Limited	-	1.59
Inter corporate deposit taken		
Schloss Udaipur Private Limited	700.00	700.00
Schloss Chennai Private Limited	400.00	400.00
Schloss Chanakya Private Limited	-	117.94
Interest on intercorporate deposit		
Schloss Udaipur Private Limited	79.18	0.43
Schloss Chennai Private Limited	45.25	0.25
Schloss Chanakya Private Limited	-	0.55
Interest accrued but not due on 10.50% unsecured compulsorily convertible debentures		
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	288.82	138.07
10.50% unsecured compulsorily convertible debentures		
BSREP III India Ballet III Pte. Ltd.	-	-
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	1,502.75	1,502.75

(d) Corporate guarantee

Company's fellow subsidiaries i.e. Schloss HMA Private Limited and Leela Palaces and Resorts Limited and the ultimate holding company i.e. BSREP III India Ballet Holdings (DIFC) Limited (from 31 March 2022) and BSREP III India Ballet Pte. Ltd. (upto 30 March 2022) have given corporate guarantee and fellow subsidiaries also created charge over their total assets for the term loan and working capital facility availed by the Company.

37 Employee benefits

(a) Defined contribution plan

The Company makes provident fund contributions to defined contribution plans for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable under these plans by the Company are at rates specified in the rules of the schemes.

The contributions are charged to the statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund, employees state insurance and labour welfare fund for the year aggregated to Rs. 14.76 millions (Previous period Rs. 12.60 millions).



37 Employee benefits (continued)

(b) Defined benefit plan

Gratuity:

The Company operates post-employment defined benefit plan that provides gratuity. The Company has partly funded the defined benefit plan for eligible employees. The scheme provides for lumpsum payment to eligible employees on retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to a limit of Rs. 20 lakhs. The unfunded portion as well as the amounts in excess of the limit are to be borne by the Company as per policy. Eligibility occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost are measured using the projected unit credit method with actuarial valuations being carried out at each balance sheet date.

The employees of HLV Limited were eligible and covered under the existing Group Gratuity-cum-Life assurance policies administered through HLV Limited, Employee Group Gratuity Life Assurance Scheme. On 16 October 2019, the Company and Hotel Leelaventure Limited has entered into a Business Transfer Agreement ("BTA") for acquisition of Bangalore hotel operations (the "Hotel") of HLV Limited. Pursuant to BTA, there has been complete transfer of employment at the Hotel to the Company and the continuity of services for every employee at the Hotel was conserved. Pending transfer of plan assets and obligations under the existing policy of HLV Limited, Employee Group Gratuity Life Assurance Scheme to the new policy of Schloss Bangalore Private Limited as at the reporting date, the Company has considered the fair value of plan assets and obligations pertaining to the transferred employees at the hotel as accumulated under the existing policies for the purpose of actuarial valuation.

The following details summarises the position of assets and obligations relating to the gratuity plan:

(a) Changes in the present value of the defined benefits obligation		<i>(Rupees in millions)</i>	
Particulars	As at 31 March 2023	As at 31 March 2022	
Present value of defined benefit obligation at beginning of the year	26.36	31.92	
Acquisition adjustment	-	-	
Interest cost	1.92	2.16	
Current service cost	4.71	3.51	
Benefits paid	-	(5.59)	
Actuarial (gain) / loss on obligation	(1.96)	(5.65)	
Present value of defined benefit obligation at the end of the year	31.02	26.36	

(b) Fair value of plan assets		<i>(Rupees in millions)</i>	
Particulars	As at 31 March 2023	As at 31 March 2022	
Fair value of plan assets at the beginning of the year	1.12	3.29	
Acquisition adjustment	-	0.26	
Actuarial return on plan assets	0.32	(0.59)	
Employer Contribution	6.60	-	
Benefits paid	-	(1.84)	
Fair value of plan assets at the end of the year	8.04	1.12	

(c) Amounts recognised in the balance sheet		<i>(Rupees in millions)</i>	
Particulars	As at 31 March 2023	As at 31 March 2022	
Present value of defined benefit obligation at the end of the year	31.02	26.36	
Fair value of plan assets at the end of the year	8.04	1.12	
Liability to be recognised in the balance sheet	22.98	25.24	
Recognised as:			
Long-term provisions (Refer note 7)	19.14	24.68	
Short-term provisions (Refer note 10)	3.85	0.58	

(d) Movement in the liability recognized in the balance sheet		<i>(Rupees in millions)</i>	
Particulars	As at 31 March 2023	As at 31 March 2022	
Net liability at the beginning of the year	26.36	31.92	
Expense recognised in the statement of profit and loss	4.34	0.62	
Benefits paid	-	(5.59)	
Actuarial return on plan assets	0.32	(0.59)	
Acquisition adjustment	-	-	
Net liability at the end of the year	31.02	26.36	

(e) Amounts recognised in the statement of profit and loss		<i>(Rupees in millions)</i>	
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	
Current service cost	4.71	3.51	
Interest cost	1.92	2.16	
Expected return on plan assets	(0.08)	(0.22)	
Net actuarial (gain) / loss recognized in the year	(2.20)	(4.83)	
	4.34	0.62	



37 Employee benefits (continued)

(f) Actuarial gain / loss on obligation

(Rupees in millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain) / loss arising from change in demographic assumption	-	-
Actuarial (gain) / loss arising from change in financial assumption	(0.41)	(1.79)
Actuarial (gain) / loss arising from experience adjustment	(1.55)	(3.86)
Actuarial (gain) / loss on obligation	(1.96)	(5.65)

(g) Actuarial gain / loss on plan assets

(Rupees in millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Expected return on plan assets	0.08	0.22
Actual return on plan assets	0.32	(0.59)
Actuarial gain / (loss) on plan assets	0.24	(0.81)

(h) Actuarial assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.39%	7.26%
Expected return on plan assets	7.00%	7.00%
Expected rate of salary increase	7.01%	7.00%
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long-term best estimate as to salary increases and takes into account the inflation, seniority, promotion, business plan, HR policies and other relevant factors on long-term basis as provided in relevant accounting standard.

Compensated absences:

The reversal of compensated absences (non-funded) for current year is. 0 millions (Previous period ended 31 March 2022 amounting to Rs. 0.37 million) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.



38 Segment Information :

I. Primary Segment Disclosure- Business Segment

Particulars	As at 31 March 2023				As at 31 March 2022			
	Hotel	Realty	Unallocated	Total	Hotel	Realty	Unallocated	Total
Revenue								
Net External Sales	2,814.97	223.58	-	3,038.55	935.79	210.20	-	1,145.99
Inter Segment Sales	-	-	-	-	-	-	-	-
Total Revenue	2,814.97	223.58	-	3,038.55	935.79	210.20	-	1,145.99
Result								
Segment Result	854.43	147.79	(12.21)	990.01	(442.30)	139.71	(8.57)	(311.16)
Less: Finance Costs	-	105.50	1,323.06	1,428.56	-	105.50	1,123.05	1,228.55
Profit before tax	854.43	42.29	(1,335.27)	(438.55)	(442.30)	34.21	(1,131.62)	(1,539.71)
Income taxes	-	-	-	-	-	-	-	-
Profit after tax	854.43	42.29	(1,335.27)	(438.55)	(442.30)	34.21	(1,131.62)	(1,539.71)
OTHER INFORMATION								
Segment Assets	12,167.16	2,178.63	593.87	14,939.66	12,201.09	2,201.86	548.70	14,951.66
Total Assets	12,167.16	2,178.63	593.87	14,939.66	12,201.09	2,201.86	548.70	14,951.66
Segment Liabilities	853.09	1,155.70	15,114.54	17,123.33	499.82	1,188.63	15,006.50	16,694.95
Total Liabilities	853.09	1,155.70	15,114.54	17,123.33	499.82	1,188.63	15,006.50	16,694.95
Capital Expenditure	319.20	-	-	319.20	1,400.55	-	-	1,400.55
Depreciation and Amortisation Expense	447.82	10.83	9.81	468.46	454.28	10.83	3.21	468.32
Non cash expenses other than depreciation	26.22	-	-	26.22	39.96	-	(8.51)	31.45

II. Information about Secondary Business Segments:

There is no geographical segment to be reported since all the operations are undertaken in India.



SCHLOSS BANGALORE PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

- 39 Property, plant and equipment as at 31 March 2023 includes asset acquired under finance lease amounting to Rs 8.63 millions (Previous year Rs 9.39 millions) capitalised in line with the requirements of Accounting Standard on "Leases" (AS-19). Depreciation for the period includes an amount of Rs.0.76 millions (Previous Period: Rs 0.76 millions) being depreciation charged on these assets.

The year-wise break-up of the outstanding lease obligation as on 31 March 2023 and 31 March 2022 in respect of these assets are as under:

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Assets taken on lease		
Total Minimum Lease Payments at year end	1.60	1.60
Present Value of Minimum Lease Payments	1.58	1.58
Not later than one year		
Minimum Lease Payments	-	1.60
Present Value	-	1.58
Later than one year but not later than five years		
Minimum Lease Payments	-	-
Present Value	-	-
Later than five years		
Minimum Lease Payments	-	-
Present Value	-	-

- 40 Unhedged foreign currency exposures as at the reporting date

Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Foreign currency	Rupees in millions	Foreign currency	Rupees in millions
Foreign currency payables				
- representing trade payables				
EURO	-	-	-	-
USD	-	-	-	-
Foreign currency receivables				
- representing advance				
USD	-	-	-	-

- 41 The Company has taken leasehold land under leave and license agreement for a period of 31 years. The unexpired period under the said agreement as on 31 March 2023 is 14 years. The total rental expense under non-cancellable operating leases rentals for the year ended is Rs. 128.76 millions (Previous period ended is Rs. 128.76 millions).

Future minimum lease payments under non-cancellable operating lease are as follows:

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Not later than one year	101.44	96.61
Later than one year but not later than five years	588.57	560.54
Later than five years	1,250.32	1,379.79
	<u>1,940.33</u>	<u>2,036.94</u>

- 42 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. The Company's transactions with related parties are at arms length as per the independent accountant's report for the year ended 31 March 2022.

Management believes the Company's transactions with related parties post 31 March 2022 continue to be at arms length so that the aforesaid legislation will not have any impact on these financial statements, particularly on the amount of tax expenses and that of provision for tax.

- 43 Utilisation of proceeds from issue of debentures

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Proceeds from issue of debentures	-	-
Utilisation during the period		
Purchase of hotel under slump sale	-	-
Stamp duty charges	-	-
Term loan upfront fee	-	-
Working capital requirement	-	-
Purchase of Hotel land	-	-
Unutilized amount as at year end	-	-



44 Ratio Analysis and its elements

Ratio Analysis	Numerator	Denominator	31st March 2023	31st March 2022	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	0.49	0.44	12%	Increase in current ratio is primarily on account of increase in advances to suppliers.
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	(7.38)	(9.18)	-20%	Decrease in debt/equity ratio is primarily on account of profits for the year
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	1.01	0.11	833%	Increase in DSCR is on account of increase in EBITDA in the current year as compared to previous year.
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	0.22	1.52	-85%	Decrease in return on equity is primarily on account of business losses for the consecutive two years
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	3.33	2.01	66%	Increase in inventory turnover ratio is primarily on account of increase in business in current year as compared to previous year. Lower business in previous year on account of COVID.
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	40.03	24.74	62%	Increase in Trade Receivable Turnover ratio is primarily on account of increase in revenue.
Trade Payables Turnover Ratio	Net Purchases	Average Trade Payables	1.75	0.84	107%	Increase in Trade Payable Turnover ratio is primarily on account of increase in purchases.
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	(3.38)	(0.92)	268%	Decrease in Net Capital Turnover Ratio is on account of decrease in working capital primarily on account of increase in interest accrued on inter-corporate deposits.
Net Profit Ratio	Net Profit after tax	Net Sales	(0.14)	(1.34)	89%	Increase in Net profit ratio is primarily on account of increase in revenue.
Return on Capital employed	EBIT	Capital Employed	0.03	(0.01)	383%	Increase in ratio is primarily on account of (i) increase in EBITDA due to better business; and (ii) increase in capital employed
Return on Investment	Interest (Finance Income)	Investment	-	-	-	



45 Transaction with Struck off Companies

The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

46

Information with regard to other matters specified in Schedule III of the Act:

- As on March 31, 2023 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilized for the specific purpose for which the funds were raised.
- The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

For BSR & Co. LLP
Chartered Accountants
Firm Registration No: 101248/W-100022

J.H. Sheff

Jaymin Shekh
Partner
Membership Number: 114583

Place: Mumbai
Date: 27 September 2023

For and on behalf of the board of directors of
Schloss Bangalore Private Limited
CIN: U55209DL2019PTC347492

Arun Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: 27 September 2023

Ravi Shankar

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: 27 September 2023

Anand Upadhyay

Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date: 27 September 2023

