B S R & Co. LLP
Chartered Accountants

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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 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 2024, and its loss and other comprehensive loss, changes in equity 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 Statemente

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 Indian Accounting Standards (Ind AS) 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 giva 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 responsihle 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.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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

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 inadequete, 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.

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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity 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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. 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 2024 on its financial position in its financial statements - Refer Note 36 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 43 (v) 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 43 (vi) 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. Based on our examination which included test checks and in accordance with requirements of

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting softwares except the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for one accounting softwara used for maintaining the books of accounts relating to purchases, payables and inventory management. Further, for the periods whara audit trail (edit log) facility was enabled and oparated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in tha 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 ot Corporate Affairs has not prescribed other details under Section 197(16) of the Aot which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Tarun Kinger

Partner

Membership No.: 105003

ICAI UDIN:24105003BKFBOB5924

Place: Mumbai

Date: 18 June 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Bangalore Private Limited for the year ended 31 March 2024

(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 2022-23. 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 (Rs. 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
1 hectare of land at Kudrekonda State Forest, Davangere District, Karnataka	-	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 2024 *(Continued)*

(ii) (a) The inventory, 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 any other parties. The Company has not provided guarantee or has granted loans to companies, firms, limited liability partnership or any other parties during the year. The company has provided security to a fellow subsidiary and has granted advances in the nature of 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 security to a fellow subsidiary and provided advances in the nature of loans to employees as below:

Particulars	Advance in the nature of loans (Rs. In millions)	Security (Rs. in millions)
Aggregate amount during the year-		
– fellow subsidiary	-	505.62
– to employees	1.62	-
Balance outstanding as at balance sheet date-		
– fellow subsidiary	-	505.62
– to employees	1.67	-

(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 security provided to fellow subsidiary and advances given in the nature 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 advances in the nature of loans given to employees (which as per the Company policy is interest free) is stipulated. The repayment of the advances in the nature of loans 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 advances in the nature of loans given.

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Bangalore Private Limited for the year ended 31 March 2024 *(Continued)*

(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 advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh advance granted to settle the overdues of existing advance in the nature of loans given to employees

(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 advance in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to information and explanations given to us and on the basis of our examination of records of the Company, there are no loans, guarantees and security given by the Company in respect of which provision of Section 185 of the Act are applicable. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of the security given by the Company against the loan taken by it's fellow subsidiary, in our opinion the provision of Section 186 of the Companies Act, 2013 ("the Act") have been complied with.

(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 goods sold and services rendered 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 2024 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 and Service 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 (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	75.16	-	April 2007 - December 2012	Customs Excise and Service Tax Appellete Tribunal	Nil

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Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Bangalore Private Limited for the year ended 31 March 2024 *(Continued)*

Finance Act, 1994	Service Tax	4.36	-	October 2014 - March 2016	Commissioner of Central Excise (Appeals)	Nil

(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.

(ix) (a) 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 defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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 not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Bangalore Private Limited for the year ended 31 March 2024 *(Continued)*

188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors 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 and in the immediately preceding financial year.

(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

B S R & Co. LLP Chartered Accountants

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Bangalore Private Limited for the year ended 31 March 2024 *(Continued)*

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.:101248W/W-100022

Tarun Kinger
Partner

Place: Mumbai
Date: 18 June 2924

Membership No.: 105003
ICAI UDIN:24105003BKFBOB5924

Annexure B to the Independent Auditor's Report on the financial statements of Schloss Bangalore Private Limited for the year ended 31 March 2024

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

(Referred to in paragraph 2(A)(g) 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 2024 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 2024, 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 2024 *(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) partain 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.:101248W/W-100022

Tarun Kinger

Partner

Place: Mumbai

Date: 18 June 2024

Membership No.: 105003

ICAI UDIN:24105003BKFBOB5924

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14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

SCHLOSS BANGALORE PRIVATE LIMITED
Balance sheet as at March 31, 2024

(Rupees in Million)

	Notes	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
ASSETS				
Non-current assets				
Property, plant and equipment	3	11,993.37	11,613.64	11,581.12
Right-of-use assets	4	2,248.49	2,296.09	2,343.22
Capital work-in-progress	3	234.58	63.10	32.98
Investment properties	6	1,688.93	1,694.15	1,699.35
Goodwill	5	757.20	757.20	757.20
Other intangible assets	5	392.60	401.21	406.94
Financial assets				
- Investments	7	0.19	0.19	0.19
- Other financial assets	8	309.37	140.71	150.77
Deferred tax assets (net)	31	-	-	-
Non-current tax assets (net)	10	74.68	36.50	21.63
Other non-current assets	9	191.97	101.73	29.70
Total non-current assets		17,891.38	17,104.52	17,023.10
Current assets				
Inventories	11	95.92	88.10	58.06
Financial assets				
- Trade receivables	12	90.85	126.39	85.63
- Cash and cash equivalents	13	97.94	409.34	503.78
- Bank balances other than cash and cash equivalents	14	616.28	134.32	14.28
- Other financial assets	8	8.31	6.10	5.23
Other current assets	9	69.82	55.71	55.45
Total current assets		979.12	819.96	722.43
TOTAL ASSETS		18,870.50	17,924.48	17,745.53
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	201.70	201.70	201.70
Other equity				
-Equity component of compound financial instruments	16 (a)	603.09	506.71	506.71
-Reserves and surplus	16 (b)	(1,053.66)	(919.53)	(669.21)
Total equity		(248.87)	(211.12)	39.20
Liabilities				
Non-current liabilities				
Financial liabilities				
-Borrowings	17	14,071.43	14,197.60	14,175.95
-Lease liabilities	4	1,824.15	1,749.23	1,676.19
-Other financial liabilities	20	59.62	49.87	43.02
Other non-current liabilities	21	9.57	17.06	25.36
Provisions	18	28.43	22.95	27.69
Total non-current liabilities		15,993.20	16,036.71	15,948.21
Current liabilities				
Financial liabilities				
-Borrowings	17	2,674.64	1,716.35	1,500.62
-Lease liabilities	4	-	0.39	1.97
-Trade payables				
(a) Total outstanding dues of micro and small enterprises	19	12.45	24.39	21.08
(b) Total outstanding dues other than (a) above	19	257.23	143.19	84.08
-Other financial liabilities	20	69.56	51.20	49.08
Other current liabilities	21	103.71	159.09	100.40
Provisions	18	8.58	4.28	0.89
Total current liabilities		3,126.17	2,098.89	1,758.12
Total liabilities		19,119.37	18,135.60	17,706.33
TOTAL EQUITY AND LIABILITIES		18,870.50	17,924.48	17,745.53

Summary of material accounting policies 2

The notes referred to above from an integral part of the financial statement

As per our report of even date attached

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

Tarun Kinger
Partner
Membership Number : 105003
UDIN:

Place: Mumbai
Date : 18th June, 2024

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

Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date : 18th June, 2024

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date : 18th June, 2024

Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date : 18th June, 2024

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

SCHLOSS BANGALORE PRIVATE LIMITED

SCHLOSS BANGALORE PRIVATE LIMITED
Statement of profit and loss for the year ended March 31, 2024

(Rupees in Million)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	22	3,224.42	2,819.23
Other income	23	294.53	274.17
Total income		**3,518.95**	**3,093.40**
Expenses			
Cost of materials consumed	24	266.35	243.04
Employee benefit expenses	25	511.58	408.60
Finance costs	26	1,690.47	1,554.84
Depreciation and amortisation expense	27	250.04	286.21
Other expenses	28	929.02	853.23
Total expenses		**3,647.46**	**3,345.92**
(Loss) before tax		**(128.51)**	**(252.52)**
Income tax expense			
-Current tax	31	-	-
-Deferred tax	31	-	-
Total tax expense		-	-
(Loss) for the year		**(128.51)**	**(252.52)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	39	(5.62)	2.20
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year, net of tax		**(5.62)**	**2.20**
Total comprehensive income income/(loss) for the year		**(134.13)**	**(250.32)**
Earnings per share attributable to owners:			
Basic earnings per share (in Rs.)	38	(3.65)	(7.17)
Diluted earnings per share (in Rs.)	38	(3.65)	(7.17)
Summary of material accounting policies	2		

The notes referred to above from an integral part of the financial statement

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
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Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date : 18th June, 2024

BSR & Co. LLP
Chartered Accountants
Mumbai - 400 063

SCHLOSS BANGALORE PRIVATE LIMITED

SCHLOSS BANGALORE PRIVATE LIMITED
Statement of cash flows for the year ended March 31, 2024

(Rupees in Million)

		For the year ended March 31, 2024	For the year ended March 31, 2023
A.	**Cash flows from operating activities**		
	Loss before tax for the year	(128 51)	(252 52)
	Adjustments for:		
	Depreciation and amortisation expenses	250.04	286.21
	Finance costs	1,690 47	1.554 84
	Net gain on disposal of property, plant and equipment	(7 95)	(2 40)
	Net impairment losses/(reversal) on financial assets	(3.42)	(0 08)
	Net foreign exchange differences	0.38	(0 37)
	Unwinding of discount on security deposits	(0 22)	(0 19)
	Interest income	(46.40)	(23.57)
	Operating cash flows before working capital changes	**1.754.39**	**1.561.92**
	Working capital movements:		
	(Increase)/decrease in inventories	(7 82)	(30.04)
	(Increase)/decrease in trade receivables	38 96	(40 68)
	(Increase)/decrease in other financial assets	(9.27)	(12 83)
	(Increase)/decrease in other current assets	(14 13)	(0.27)
	(Increase)/decrease in other non-current assets	(19 80)	(8 47)
	Increase/(decrease) in trade payables	101 72	62 79
	Increase/(decrease) in other current liabilities	(31 80)	58 69
	Increase/(decrease) in other non-current liabilities	(7.49)	(8 30)
	Increase/(decrease) in other financial liabilities	1.75	(25 25)
	Increase/(decrease) in provisions	4.16	0.85
	Cash generated from operations	**1.810.67**	1.558.40
	Income taxes paid, net	(36.41)	(14.88)
	Net cash flows generated from operating activities (A)	**1.774.26**	**1.543.52**
B.	**Cash flows from investing activities**		
	Payments for property, plant and equipments including intangibles	(783.35)	(315 79)
	Proceeds from sale of property, plant and equipment	7.93	2 41
	Payments for other intangibles assets	(0.43)	(2.94)
	Bank deposits placed	(880.29)	(248 21)
	Bank deposits matured	229 56	143 05
	Interest received	44 65	23 39
	Net cash flows used in investing activities (B)	(1,381.93)	(398.09)
C.	**Cash flows from financing activities**		
	Proceeds from borrowings	1,382.03	294 13
	Repayments of borrowings	(518 45)	(177 23)
	Principal elements of lease payment	-	-
	Finance costs paid towards lease liabilities	(103.42)	(99 16)
	Finance costs paid other than on lease liabilities	(1,463.89)	(1,257.61)
	Net cash flows generated from financing activities (C)	**(703.73)**	**(1,239.87)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(311.40)**	**(94.44)**
	Cash and cash equivalents as at beginning of the year	409.34	503.78
	Cash and cash equivalents at the end of the year	**97.94**	**409.34**
	Reconciliation of cash and cash equivalents as per the cash flow statements:		
	Cash and cash equivalents comprise of the following:		
	Cash on hand	0 99	1 03
	Balance with banks		
	-in current account	91 88	38 32
	-in fixed deposit account with original maturity of less than 3 months	5.07	370.00
	Total cash and cash equivalents as at year end	**97.94**	**409.34**

Supplemental information to the cashflow
Changes in liabilities arising from financing activities

Particulars	Liabilities from Financing Activities		
	Borrowings	Lease liabilities	Total
Balance as at April 1, 2022	**15,676.57**	1,678.16	17,354.73
Principal liability Cashflows (net)	116.90	-	116.90
Interest payment	(1,257 61)	(99.16)	(1,356.77)
Transaction cost amortisation	3 87		3 87
Finance Cost accrued during the period	1,374.21	170.62	1,544.83
Closing balance as at March 31, 2023	**15,913.94**	**1,749.62**	**17,663.56**
Balance as at March 31, 2023	15,913.94	**1,749.62**	17,663.56
Principal liability Cashflows (net)	863.58	-	863 58
Interest payment	(1,463.89)	(103.42)	(1,567.31)
Interest accrued on ICD	-		-
Transaction cost amortisation	-		-
Gain on account of modification in the terms of compound financial instruments	(96.38)		(96.38)
Finance Cost accrued during the period	1,528 65	177.95	1,706.60
Closing balance as at March 31, 2024	**16,746.07**	**1,824.15**	18,570.22

The notes referred to above from an integral part of the financial statement
As per our report of even date attached

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

Tarun Kinger
Partner
Membership Number : 105003
UDIN:

Place: Mumbai
Date : 18th June, 2024

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

Anuraag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date : 18th June, 2024

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date : 18th June, 2024

Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date : 18th June, 2024

SCHLOSS BANGALORE PRIVATE LIMITED
Statement of changes in equity for the year ended March 31, 2024

A. Equity share capital

(Rupees in Million)

Particulars	Notes	Amount
Balance as at April 1, 2022		201.70
Changes in equity share capital	15	-
Balance as at March 31, 2023		201.70
Changes in equity share capital	15	-
Balance as at March 31, 2024		201.70

B. Other equity

(Rupees in Million)

Particulars	Notes	Equity component of compound financial instruments	Reserves and surplus			Total
			Securities premium	Retained earnings	Retained earnings - fair value as deemed cost	
Balance as at April 1, 2022		506.71	1,691.94	(3,631.19)	1,270.04	(669.21)
(Loss) for the year		-	-	(252.52)	-	(252.52)
Other comprehensive income for the year, net of tax	13	-	-	2.20	-	2.20
Total		-	-	(250.32)	-	(250.32)
Balance as at March 31, 2023		506.71	1,691.94	(3,881.51)	1,270.04	(919.53)
(Loss) for the year	13		-	(128.51)	-	(128.51)
Other comprehensive (loss) for the year, net of tax	13		-	(5.62)	-	(5.62)
Gain on account of modification in the terms of compound financial instruments		96.38	-	-	-	-
Total		96.38	-	(134.13)	-	(134.13)
Balance as at March 31, 2024		603.09	1,691.94	(4,015.64)	1,270.04	(1,053.66)

The notes referred to above from an integral part of the financial statement

As per our report of even date attached

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

Tarun Kinger
Partner
Membership Number : 105003
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Place: Mumbai
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Anand.S

Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date : 18th June, 2024

BSR & Co. LLP Chartered Accountants

SCHLOSS BANGALORE PRIVATE LIMITED

SCHLOSS BANGALORE PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024

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 Basis of preparation, Critical accounting estimates and judgements, Material accounting policies and Recent accounting pronouncements

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

Rounding of amounts :
All Amounts disclosed in the financial statements and noteshave been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise specified.

2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 ("the Act") as amended from time to time. The Company adopted to transition to Ind AS from 1st April, 2022 and hence, this is the first year of transition. The financial statements upto and for the year ended 31 March 2023 were prepared in accordance with the accounting standards as notified under section 133 of the Act ("Previous GAAP") and other relevant provision of the Act and rules notified thereafter .The financial statements are prepared in Indian rupees in millions.

The financial statements for the year ended 31 March 2024 are the first financial statements of the Company prepared under Ind AS. A detail reconciliation on the impact of transition to Ind AS to the previously reported financial position has affected the company's financial position, financial performance and cash flows, in Note 41.

(i) Historical Cost Convention

The Financial Statements have been prepared on a historical cost basis, except for the following-
(a) certain financial assets and liabilities (including derivative instruments) and contingent consideration is measured at fair value
(b)defined benefit plans - plan assets measured at fair value

The financial statements are approved for issue by the Company's board of directors on 18th June 2024.

2.2 Critical Accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, accompanying disclosures and accompanying disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

– Useful Lives of Property, Plant and Equipment: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.Refer Note 3 for further details.

– Impairment Testing: Property, plant and equipment and other intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer Note 3 for further details. Goodwill is tested for impairment annually.

– Income Taxes: Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss. Refer Note 31 for further details.
Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss. Refer Note 31 for further details.

- Defined Benefit Plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
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 and the fair value of any plan assets are deducted.
Refer Note 39 for further details.

- Leases: The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer Note 4 for further details.

- Fair value Measurement of Financial Instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible. Refer Note 32 for further details.

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SCHLOSS BANGALORE PRIVATE LIMITED

- Contingent Liability: The management evaluates possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The estimates of outcome and financial effect are determined by the judgement of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. Refer Note 36 for further details.

-Impairment of financial assets: For trade receivables, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The expected credit loss allowance is an estimate based on the ageing of the receivables that are due and rates used in a provision matrix.

2.3 Going Concern

The Company has incurred a loss of Rs.134.13 millions during the year ended 31 March 2024, has accumulated losses of Rs.4,015.64 millions and negative net worth of Rs.248.87 millions at 31 March 2024 and as of that date, the Company's current liabilities exceeded its current assets by Rs.2,147.05 millions.

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: along with financial support from its shareholders, 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.

2.4 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.

2.4 Current / Non-current classification (continued)

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 Material Accounting Policies

a) Foreign currency translation

(i) Functional and presentation currency
The functional currency of the Company is Indian Rupee.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

(iii) Subsequent measurement
Foreign currency transactions subsequently are accounted using the exchange rates as at that date and difference, if any, between the exchange rates as at the subsequent date and the date of the balance sheet is recognised as income or expense in the Statement of Profit and Loss.

b) 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.

b1) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

c) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the effects of all dilutive potential equity shares. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

d) Revenue recognition and other income

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e, on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations-
Rooms, Food and Beverage & Banquets: : Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.
Other Allied services: In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.
Membership Fees: Membership fee income majorly consists of membership fees received from the loyalty programme and Chamber membership fees. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Some contracts include multiple performance obligations, such as sale of food and beverages and room revenue. These are considered as separate performance obligations as, the customer can benefit from the good or service on its own and the good or services are distinct within the context of the contract. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

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SCHLOSS BANGALORE PRIVATE LIMITED

A contract asset viz. Unbilled revenue is recognized in respect of those performance obligations where the control of the goods has been transferred to the buyer or services are provided to the customer, and only the act of invoicing is pending.
A contract liability is recognised where the customer has paid in advance, but the services are yet to be rendered by the Company or the payment exceeds the services rendered.
A deferred revenue is recognised for revenue where performance obligations under the sales contract are to be satisfied.
The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Space and Shop Rentals
Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. Revenue is recognised over the tenure of the lease/service agreement on a straight line basis over the term of the lease, except where the rentals are structured to increase in line with expected general inflation, and except where there is uncertainty of ultimate collection.

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

Government Grants
Government grants/incentives that the company is entitled to on fulfillment of certain conditions, but are available to the Company only on completion of some other conditions, are recognised as income on actual reciept of incentive/grants.

e) **Property, plant and equipment**

Property, plant and equipment are stated at cost which includes capitalised borrowing costs, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.
All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.
Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Depreciation is charged to the Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.
The useful lives have been determined as per the useful life prescribed in Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost 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

Freehold land is not depreciated. The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to revalue its property, plant and equipment recognised as of 1 April 2022 (transition date).

Capital work-in-progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

f) **Intangible assets**
Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use and are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising for intangible assets is as under:

Class of asset	Estimated useful life
Computer software	6 years
Right to use (car park space)	60 years

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss, when the asset is derecognised.
Goodwill is measured at cost less any accumulated impairment losses. Goodwill attributable to the acquisition of Bangalore hotel undertaking of HLV Limited is, from the acquisition date, allocated to cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 01, 2022 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

g) **Investment properties**
Investment properties, principally office buildings, are held for long-term rental yields and are not occupied by the Company. They are carried at cost. Investment properties are depreciated using the straight-line method to allocate the cost of assets over their estimated useful lives. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties generally have useful lives of 60 years for building and land is not depreciated. The useful lives have been taken as per schedule II. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised only when future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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h) Impairment of assets

Assets that are subject to amortisation/depreciation and goodwill are reviewed for impairment periodically including whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

i) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

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

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction and does not give rise to equal taxable and deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Employee benefits

Short term employee 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.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Long term employee benefits
Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. 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 and the fair value of any plan assets are deducted.

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 potential asset for the Company, the recognised asset is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan ("the asset ceiling").

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Other long-term employee benefits
Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences beyond twelve months 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 using the Projected Unit credit method. The discount rates used for determining the present value of the liability is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit & loss.

k) 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. 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.

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l) **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-Current provisions are discounted for giving the effect of time value of money.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets and contingent liabilities are reviewed at each balance sheet date.

m) **Financial instruments**

(i) Classification

The company classifies its financial assets in the following measurement categories
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those to be measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the company commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value (trade receivables is measured at transaction price) plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

-Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments;
• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.
• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

-Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures denominated in INR that can be converted to equity shares at the option of the holder during the tenure of the instrument, when the number of shares to be issued is fixed and does not vary with changes in fair value. The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently. Interest related to the financial liability is recognised in profit or loss (unless it qualified for inclusion in the cost of an asset). On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Trade and other receivables

A trade receivable without a significant financing component is initially measured at the transaction price.

Other receivables are recognised initially at fair value plus or minus transaction costs and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Classification & measurement of financial liabilities

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. If payment is expected in one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.
Borrowings are classified as non-current liabilities if the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. If not, they are presented under current borrowings.

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Derecognition of financial asset & financial liabilities
A financial asset (or, a part of a financial asset) is primarily derecognized when:
(i) The contractual right to receive cash flows from the financial assets expire, or
(ii) The Company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Gain or loss on derecognition
Gain or loss on derecognition of a financial asset or liability measured at amortised cost is recognized in the statement of profit and loss at the time of derecognition. Derecognition gain/loss on financial assets other than equity instruments measured at FVOCI is recycled to profit or loss. Gain or loss on derecognition of equity instruments measured at FVOCI is never recycled to profit or loss.

Impairment of financial assets
The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in a provision matrix. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

Offsetting of financial asset and liabilities
Financial assets and liabilities are offset and the net amount reported in the balance sheet where Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

n) **Leases**
i. As a lessee
On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's statement of financial position as a right-of-use asset and a lease liability.

Right of use assets
The right-of- use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

Lease Liabilities
The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is reasonably certain that it will not exercise the option. Minimum lease payments include exercise price a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease
Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

Short-Term Leases and Leases of Low-Value Assets
The Company has opted not to apply the lease accounting model to leases of low-value assets or leases which have a lease term of 12 months or less and don't contain purchase option. Costs associated with such leases are recognised as an expense on a straightline basis over the lease term.

Disclosure of lease liabilities and assets in balance sheet

ii. As a lessor
Leases for which the Company is a lessor is classified as a finance or operating lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

iii. Classification of lease
To classify each lease the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

o) **Borrowing costs**
General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.
Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest rate method.

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3 Property, plant and equipment (including capital work-in progress)

(Rupees in Million)

	Building	Freehold land	Plant and machinery (including windmill)*	Furniture and fixtures	Office equipments	Computers and data processing units	Vehicles	Total	Capital work-in-progress
Year ended March 31, 2023									
Gross carrying amount									
As at April 1, 2022	3,491.48	6,490.89	266.14	2.07	0.71	5.60	53.73	10,310.62	32.98
Impact of Ind AS transition	304.19	885.09	81.21	0.00	-	-	-	1,270.49	-
Deemed cost as at April 1, 2022	3,795.68	7,375.98	347.35	2.07	0.71	5.60	53.73	11,581.12	32.98
Additions	15.73	-	150.26	61.03	-	23.40	-	250.42	283.91
Disposals/capitalised	-	-	2.28	0.00	-	-	-	2.28	253.80
Closing gross carrying amount as at March 31, 2023	3,811.40	7,375.98	495.34	63.10	0.71	29.00	53.73	11,829.26	63.10
Accumulated depreciation									
Charge for the year	87.56	-	99.76	3.70	0.48	9.33	17.07	217.90	-
Disposals	-	-	2.28	0.00	-	-	-	2.28	-
Closing accumulated depreciation as at March 31, 2023	87.56	-	97.48	3.70	0.48	9.33	17.07	215.62	-
Net carrying amount as at March 31, 2023	3,723.84	7,375.98	397.86	59.40	0.23	19.67	36.66	11,613.64	63.10
Year ended March 31, 2024									
Gross carrying amount									
As at April 1, 2023	3,811.40	7,375.98	495.34	63.10	0.71	29.00	53.73	11,829.26	63.10
Additions	287.66	-	217.53	50.93	-	4.66	-	560.78	724.43
Disposals	-	-	7.03	0.00	-	-	-	7.03	552.95
Closing gross carrying amount as at March 31, 2024	4,099.06	7,375.98	705.83	114.02	0.71	33.66	53.73	12,382.99	234.58
Accumulated depreciation									
As at April 1, 2023	87.56	-	97.48	3.70	0.48	9.33	17.07	215.62	-
Charge for the year	88.24	-	56.41	11.73	0.17	10.77	13.72	181.04	-
Disposals	-	-	7.03	0.00	-	-	-	7.03	-
Closing accumulated depreciation as at March 31, 2024	175.80	-	146.86	15.43	0.65	20.10	30.79	389.62	-
Net carrying amount as at March 31, 2024	3,923.26	7,375.98	558.97	98.59	0.06	13.57	22.94	11,993.37	234.58

* 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.

Note: The Company has elected to use fair value as deemed cost for property, plant and equipment as at the date of transition to Ind AS (Refer Note 41).
Freehold land and building are provided as collateral security against the term loans availed by the Company (Refer Note 17)
Contractual Obligations: Refer Note 37 for disclosure of contractual commitments for the acquisition of property,plant and equipment
The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company other than the windmill land as stated above.

Capital work in progress (CWIP)
Ageing of CWIP
As at March 31, 2024

	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	207.14	27.44	-	-	234.58
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023

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

As at April 1, 2022

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

See note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

There are no projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

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Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

4 Leases

(Rupees in Million)

This note provides information for leases where the Company is a lessee. The Company leases hotel premises, plant and machinery and houses for employee accomodation. Rental contracts are typically made for fixed periods of 11 months to 36 years, but may have extension and termination options as described in (iii). The weighted average discount rate for lease liabilities is 10.5 % p.a.

(i) The balance sheet shows the following amounts relating to leases:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Right-of-use assets			
- Building	2,240.62	2,287.45	2,333.83
- Plant and machinery	7.87	8.63	9.39
	2,248.49	**2,296.09**	**2,343.22**

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Lease liabilities			
Lease liabilities - Current	-	0.39	1.97
Lease liabilities - Non Current	1,824.15	1,749.23	1,676.19
	1,824.15	**1,749.62**	**1,678.15**

Additions to right-of-use assets during the year Rs. 7.14 millions and (March 31,2023 - Rs. 7.33 millions) towards a

(ii) Amounts recognized in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	Notes	For the year ended March 31, 2024	For the year ended
Depreciation charge of right-of-use assets	27		
- Building		53.98	53.71
- Plant and machinery		0.76	0.76
Interest expense (included in finance costs)	26	177.95	170.62
Expense relating to short-term leases (included in other	28	11.01	8.71

The total cash outflow for leases for the year ended March 31, 2024 was Rs. 114.43 millions (March 31, 2023 Rs. 107.87 millions)

(iii) Extension and termination options

Extension and termination options are included in a number of residential accomodation leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only if agreed by both the Company and the lessor. The termination option of the hotel premises leased by the Company held are exercisable only by the lessee.

Critical judgements in determining the lease term:

The Company assesses at lease commencement whether it is reasonably certain to exercise the extension and termination options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

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Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

5 Other intangible assets and goodwill

(Rupees in Million)

	Computer software	Right to access the parking space	Total	Goodwill
Year ended March 31, 2023				
Gross carrying amount				
Deemed cost as at April 1, 2022	**4.14**	**402.80**	**406.94**	**757.20**
Additions	2.94	-	2.94	-
Disposals	-	-	-	-
Closing gross carrying amount as at March 31,	**7.08**	**402.80**	**409.87**	**757.20**
Accumulated amortisation				
As at April 1, 2022	-	-	-	
Charge for the year	1.65	7.00	8.65	-
Disposals				
Closing accumulated amotisation as at March 31,	**1.65**	**7.00**	**8.65**	-
Net carrying amount as at March 31, 2023	**5.42**	**395.80**	**401.22**	**757.20**
Year ended March 31, 2024				
Gross block				
As at April 1, 2023	**7.08**	**402.80**	**409.87**	**757.20**
Additions	0.43	-	0.43	-
Disposals	-	-	-	-
Closing gross carrying amount as at March 31,	**7.51**	**402.80**	**410.31**	**757.20**
Accumulated amortisation				
As at April 1, 2023	**1.65**	**7.00**	**8.65**	-
Charge for the year	2.03	7.02	9.05	-
Disposals	-	-	-	-
Closing accumulated amotisation as at March 31,	**3.68**	**14.02**	**17.70**	-
Net carrying amount as at March 31, 2024	**3.83**	**388.78**	**392.60**	**757.20**

The Company has elected to use previous GAAP carrying value as deemed cost for intangible assets as at the transition date.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually (for transition to Ind AS - Goodwill is recognised at net carrying amount as per the previous GAAP as per the transitional exemptions as explained under note 41)

Goodwill and Other intangible assets are provided as collateral security against the term loans availed by the company (refer note 17)

Impairment testing

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

The Company tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets, is allocated to a cash generating unit "CGU" representing the lowest level with the company at which goodwill is monitored for internal management reporting purposes.The carrying value of the cash generating unit is the carrying value of the net assets of the entity.

The recoverable value in use of the CGU is determined on the basis of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

The carrying amount of goodwill is Rs. 757.20 Mn (31 March 2023 - Rs. 757.20 Mn). The estimated value-in-use of this CGU is based on the future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and a discount rate of 10.71% p.a. An analysis of the sensitivity of the computation to a change in key parameters (EBITDA, discount rates and terminal value), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The outcome of the Company's goodwill impairment test did not result in any impairment of goodwill.

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SCHLOSS BANGALORE PRIVATE LIMITED

SCHLOSS BANGALORE PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

6 Investment property

(Rupees in Million)

	31-Mar-24	31-Mar-23
Gross carrying amount		
Opening gross carrying amount	1,699.35	1,699.35
Additions	-	-
Disposals	-	-
Closing gross carrying amount	**1,699.35**	**1,699.35**
Accumulated depreciation		
Opening accumulated depreciation	5.20	-
Charge for the year	5.22	5.20
Closing accumulated depreciation	**10.42**	**5.20**
Net carrying amount	**1,688.93**	**1,694.15**

(i) Amounts recognised in profit or loss for

Rental income recognised by the Company was included in 'Other income' (see Note 23). Power and fuel, repairs and maintenance expense, property taxes, included in 'other expenses' (see Note 28).

	For the year ended March 31, 2024	For the year ended March 31
Rental income from operating leases	216.79	227.51
Direct operating expenses from property that generated rental income	(72.46)	(64.47)
Direct operating expenses from property that did not generate rental income	(2.78)	-
Profit from investment properties before depreciation	**141.56**	**163.04**
Depreciation	5.22	5.20
Profit from investment properties	**136.34**	**157.84**

(ii) Contractual obligations

See note 37 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

(iii) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Lease payments have no variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Company may obtain bank guarantees for the term of the lease. Although the Company is exposed to changes in the residual value at the end of the current leases, the Company typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases.

Minimum lease payments receivable on leases of investment properties are as follows:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Within 1 year	169.65	132.72	159.11
Between 1 and 2 years	171.43	137.33	132.72
Between 2 and 3 years	185.36	132.02	137.33
Between 3 and 4 years	89.37	131.54	132.02
Between 4 and 5 years	3.45	57.63	131.54
Later than 5 years	-	3.21	59.66

(iii) Fair value

	31-Mar-24	31-Mar-23	01-Apr-22
Investment properties	2,852	2,408	2,275

Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the group considers information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
2. Discounted cash flow projections based on reliable estimates of future cash flows
3. capitalised income projections based upon prioperty's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

(iv) Presenting cash flows

The Company classifies cash outflows to acquire or construct investment property as investing and rental inflows as operating cash flows.

(v) Investment properties are provided as collateral security against the term loans availed by the company (refer note 17)

SCHLOSS BANGALORE PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

7 **Investments** *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Investment in equity instruments (unquoted) (measured at FVTPL)			
18,600 (31 March 2023: 18,600, 1 April 2022: 18,600) equity shares of Rs. 10 each fully paid up in Green Infra	0.19	0.19	0.19
	0.19	**0.19**	**0.19**
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	0.19	0.19	0.19
Aggregate amount of impairment in the value of investments	-	-	-

8 **Other financial assets** *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Fixed deposit account with original maturity of more	281.15	110.09	127.55
Margin money deposits with original maturity of more	0.42	2.95	0.38
Security deposits	27.80	27.66	22.85
Total	**309.37**	**140.71**	**150.77**

*Fixed deposit of Rs. 272.23 million (31 March 2023 Rs. Nil, 01 April 2022 Rs. Nil) is restricted for withdrawal, out of which Rs 2.55 million is against Bank guarantee and Rs 269.68 million is against term loans availed during the year.

**Margin Money of Rs. 0.42 Million for margin given for Bank guarantee (31 March 2023: Rs. 0.42 Million, 01 April 2022:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Current			
Security deposits	1.85	0.40	5.23
Other receivables	6.46	5.70	-
Total	**8.31**	**6.10**	**5.23**

9 **Other assets** *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Capital advances	134.68	64.24	0.68
Prepaid expenses	7.60	5.96	3.40
Lease equalisation reserve	49.69	31.53	25.62
Total	**191.97**	**101.73**	**29.70**
Current			
Balances with government authorities			
- With GST authorities	19.06	18.14	18.44
Advance to employees	1.67	1.72	0.23
Advance to suppliers	11.93	6.06	5.24
Prepaid expenses	37.16	29.80	31.53
Total	**69.82**	**55.71**	**55.45**

10 **Non-current tax assets** *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Advance tax and tax deducted at source (net of provision of tax: nil)	74.68	36.50	21.63
Non current tax assets/(liabilities)	**74.68**	**36.50**	**21.63**

Movement of Non-current tax assets	As at March 31, 2024	As at March 31, 2023
Opening balance	36.50	21.63
Less: Current tax payable for the year	-	-
Add: Taxes paid/ (refund received)	38.17	14.88
Closing balance	**74.68**	**36.50**

11 **Inventories** *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Food and beverages	71.62	47.86	19.90
Stores and operating supplies	24.30	40.24	38.16
Total	**95.92**	**88.10**	**58.06**

Inventory written down during the year Rs. Nil (Previous year - Rs. Nil)
The amount of Inventories is pledged as security against the Company's borrowings (Refer Note 17)

12 Trade receivables

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Trade receivables from contract with customers – billed	77.57	84.69	65.65
Trade receivables from contract with customers – unbilled^	17.24	50.28	29.00
Trade receivables from contract with customers – related parties (Refer note 40)	0.21	-	1.49
Less: Loss allowance	(4.17)	(8.58)	(10.50)
Total	**90.85**	**126.39**	**85.63**
Current portion	90.85	126.39	85.63

Break-up of security details

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Trade receivables considered good - secured			
Trade receivables considered good - unsecured	95.02	134.97	96.14
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables – credit impaired	-	-	-
Total	**95.02**	**134.97**	**96.14**
Loss allowance	(4.17)	(8.58)	(10.50)
Total	**90.85**	**126.39**	**85.63**

(i) Trade receivables are non-interest bearing and are generally on payment terms of 0 to 30 days.

(ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 40

(iii) For related party balances refer Note 40

(iv) The receivable is "unbilled" because the Company has not yet issued an invoice, however, the balance has been included under trade receivable (as apposed to contract assets) because it is an unconditional right to consideration.

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SCHLOSS BANGALORE PRIVATE LIMITED

SCHLOSS BANGALORE PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

12 Trade receivables (continued)

(Rupees in Million)

Ageing of trade receivables as at March 31, 2024

	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More Than 3 years	
Undisputed trade receivables								-
considered good	17.24	-	77.62	0.16	-	-	-	95.02
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								-
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	**17.24**	**-**	**77.62**	**0.16**	**-**	**-**	**-**	**95.02**
Less: Loss allowance								(4.17)
Net								**90.85**

Ageing of trade receivables as at March 31, 2023

	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More Than 3 years	
Undisputed trade receivables								
considered good	50.28	-	82.85	1.84	-	-	-	134.97
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	**50.28**	**-**	**82.85**	**1.84**	**-**	**-**	**-**	**134.97**
Less: Loss allowance								(8.58)
Net								**126.39**

Ageing of trade receivables as at April 1, 2022

	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More Than 3 years	
Undisputed trade receivables								
considered good	29.00	-	64.63	2.51	-	-	-	96.14
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	**29.00**	**-**	**64.63**	**2.51**	**-**	**-**	**-**	**96.14**
Less: Loss allowance								(10.50)
Net								**85.64**

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SCHLOSS BANGALORE PRIVATE LIMITED

SCHLOSS BANGALORE PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

13 Cash and cash equivalents

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Balances with banks			
- in current accounts	91.88	38.32	143.04
- in fixed deposit account with original maturity of less than 3 months	5.07	370.00	360.00
Cash on hand	0.99	1.03	0.74
Total	**97.94**	**409.34**	**503.78**

Note: Cash and bank balances are denominated and held in Indian Rupees and the balance with banks mentioned above is of unrestricted nature.

14 Bank balances other than cash and cash equivalents

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Deposits with banks with original maturity more than three months but less than twelve months	616.28	134.32	14.28
Total	**616.28**	**134.32**	**14.28**

Fixed deposit of Rs. 596.65 million (31 March 2023 Rs. Nil, 01 April 2022 Rs. Nil) is restricted for withdrawal, out of which Rs 505.62 million is against an overdraft facility availed by the Company's related party, Schloss Chanakya Private Limited. Rs 35.42 million is against term loans facility availed during the year and Rs 55.60 is against letter of credit.

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SCHLOSS BANGALORE PRIVATE LIMITED

15 Equity share capital

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Authorised			
67,500,000 (April 1, 2022 - 67,500,000) equity shares of Rs. 10 each	675.00	675.00	675.00
Issued, subscribed and paid up			
20,169,566 (April 1, 2022 - 20,169,566) equity shares of Rs. 10 each, fully paid-up	201.70	201.70	201.70
Total	**201.70**	**201.70**	**201.70**

(i) Movements in equity share capital

(a) Authorised Share capital

	No. of shares	Amount
Equity		
As at April 1, 2022	**6,75,00,000**	**675.00**
Increase/(decrease) during the year	-	-
As at March 31, 2023	**6,75,00,000**	**675.00**
Increase/(decrease) during the year	-	-
As at March 31, 2024	**6,75,00,000**	**675.00**

(b) Issued, subscribed and paid up

	No. of shares	Amount
As at April 1, 2022	**2,01,69,566**	**201.70**
Changes in equity share capital	-	-
As at March 31, 2023	**2,01,69,566**	**201.70**
Changes in equity share capital	-	-
As at March 31, 2024	**2,01,69,566**	**201.70**

Terms, rights, preferences 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.

(ii) Shares of the company held by holding/ultimate holding company

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	2,01,69,565	2,01,69,565	2,01,69,565
BSREP III India Ballet Holdings (DIFC) Limited, intermediate holding company	1	1	1

(iii) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	2,01,69,565	2,01,69,565	2,01,69,565
Percentage of Holding	99.99%	99.99%	99.99%

(iv) Details of shareholding of promoters:

As at March 31, 2024

Name of the promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Project Ballet Bangalore Holdings (DIFC) Private Limited	2,01,69,565	99.99%	-
BSREP III India Ballet Holdings (DIFC) Limited	1	0.01%	-
	2,01,69,566	**100.00%**	-

As at March 31, 2023

Name of the promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Project Ballet Bangalore Holdings (DIFC) Private Limited	2,01,69,565	99.99%	-
BSREP III India Ballet Holdings (DIFC) Limited	1	0.01%	-
	2,01,69,566	**100.00%**	-

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SCHLOSS BANGALORE PRIVATE LIMITED

As at April 1, 2022

Name of the promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Project Ballet Bangalore Holdings (DIFC) Private Limited	2,01,69,565	99.99%	-
BSREP III India Ballet Holdings (DIFC) Limited	1	0.01%	-
	2,01,69,566	**100.00%**	-

(v) Aggregate number of shares issued for consideration other than cash

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

16 (a) Equity component of compound financial instruments *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Opening balance	506.71	506.71	506.71
Add: Gain on account of modification in the terms of compound financial instruments	96.38	-	-
Total	**603.09**	**506.71**	**506.71**

For key terms of the instrument refer note 17D

16 (b) Reserves and surplus *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Securities premium	1,691.94	1,691.94	1,691.94
Retained earnings	(4,015.64)	(3,881.51)	(3,631.19)
Retained earnings - fair value as deemed cost	1,270.04	1,270.04	1,270.04
Total	**(1,053.66)**	**(919.53)**	**(669.21)**

Securities premium

	As at March 31, 2024	As at March 31, 2023
Opening balance	1,691.94	1,691.94
Addition during the year	-	-
Closing balance	**1,691.94**	**1,691.94**

Retained earnings

	As at March 31, 2024	As at March 31, 2023
Opening balance	(3,881.51)	(3,631.19)
Net loss for the year	(128.51)	(252.52)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligations, net of tax	(5.62)	2.20
Closing balance	**(4,015.64)**	**(3,881.51)**

Retained earnings - fair value as deemed cost

	As at March 31, 2024	As at March 31, 2023
Opening balance	1,270.04	1,270.04
Add: Additions	-	-
Closing balance	**1,270.04**	**1,270.04**

Nature and purpose of reserves:

i **Equity component of compound financial instrument**
This represents the equity portion of compulsory convertible debentures issued to Project Ballet Bangalore Holdings (DIFC) Private Limited, holding company. (Refer Note 17 D).

ii **Securities premium**
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

iii **Retained earnings**
Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

iv **Retained earnings - fair value as deemed cost**
Retained earnings - fair value as deemed cost represents the change in fair value of property, plant and equipment on the date of transition as per deemed cost exemption adopted by the Company. (Refer Note 41).

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SCHLOSS BANGALORE PRIVATE LIMITED

17 Borrowings *(Rupees in Million)*

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Secured			
Term Loans:			
- From banks			
Rupee term loan (Refer note A and C)	11,652.58	11,345.58	11,209.36
Less: Current maturities of long-term borrowings (included in current borrowings)	(243.18)	(290.07)	(54.20)
Less: Interest accrued (included in current borrowings)	-	-	(88.32)
	11,409.40	**11,055.51**	**11,066.84**
Working capital term loan (Refer note B)	1,915.48	1,999.99	2,000.00
Less: Current maturities of long-term borrowings (included in current borrowings)	(500.00)	(84.51)	(18.56)
	1,415.48	**1,915.48**	**1,981.44**
Unsecured			
Liability component of compound financial instruments			
Unsecured compulsorily convertible debentures (Refer note D)	1,246.55	1,226.61	1,127.67
	1,246.55	**1,226.61**	**1,127.67**
Total	**14,071.43**	**14,197.60**	**14,175.95**
Current			
Secured			
Working capital loan (Refer note E)	221.36	117.36	120.38
Unsecured			
Inter corporate deposit from related party (Refer Note F) and (Refer note 40)	1,710.10	1,224.41	1,219.16
Current maturities of long-term borrowings*	743.18	374.58	161.08
Total	**2,674.64**	**1,716.35**	**1,500.62**

Borrowings are subsequently measured at amortised cost and therefore interest accrued on borrowings are included in the respective amounts.

a) Nature of Security and Terms of repayment for secured borrowings

A Term loan from Bank I

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 door to door tenure 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. 38 millions (March 31, 2023 Rs. 960 millions and April 1, 2022 Rs. 960 millions) and rate of interest as on 31 March 2024 is 8.65 % p.a. (March 31, 2023 8.70 % p.a and April 1, 2022 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 previous year. The Company has cross charged the interest expense on such utilisation to respective entities.

(a) Primary security:

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

i. 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).

ii. Exclusive charge on brand 'Leela' pertaining to Hotels, other intangibles, Goodwill, Intellectual Property (IP), uncalled capital (present and future);
iii. Exclusive charge on all bank accounts including but not limited to Escrow account (present & future).
iv. First charge on the total current assets (present and future).
v. Hypothecation of cash flows

(b) Corporate guarantee:

i) of Schloss HMA Private Limited, a fellow subsidiary.
ii) of Leela Palaces and Resorts Limited, a fellow subsidiary.

(c) Other security:

i) Pledge of 30% shares of the Company held by the Project Ballet Bangalore Holdings (DIFC) Private Limited, Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.

ii) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., Intermediate 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.

iii) Mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

SCHLOSS BANGALORE LIMITED

(d) 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.

(e) 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 accounts.

(f) Loan covenants: Under the terms of the borrowing facilities, all the co-borrowers including the HMA entity are required to maintain the following covenants: FACR 1.50, DSCR 1.11, ICR 1.59, Debt/EBITDA 6.74. The Company has met all the loan covenants during the year,

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 (March 31, 2023 Rs.2000 millions and April 1, 2022 Rs. 2000 millions) on 24 December, 2021 to the Company to augement 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) Private 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 Term loan II
The lender had granted a term loan facility under Lease Rental Discounting (LRD) facility to the Company, amounting to Rs. 1,100.00 millions for the purpose of acquisition of the Galleria office in Bangalore. 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, 2024 is 9.4 % p.a. (March 31, 2023 9.15 % p.a and April 1, 2022 7.75 % p.a.).

(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 measuring 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 15203.98 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

D Unsecured compulsorily convertible debentures
(a) The Company had issued 10.50% p.a. interest bearing 47,50,000 and 1,02,77,498 compulsory convertible debentures ("CCDs")to the holding company Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, having face value of Rs. 100 each and term of 15 years during the year ended March 31, 2021 and March 31, 2022 respectively. These CCDs carries 10.50% p.a. coupon rate. The CCD holder shall be entitled to interest on the principal amount of CCDs outstanding at a rate of 10.50 % per annum compounded on a yearly basis, until conversion of the CCDs.

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.

(c) The Company is liable to pay the interest portion on the CCD and at the end of the term of the CCD it will be converted into equity shares in the ratio of 1:1. The interest and equity conversion as included in the CCD instrument requires it to be classified as compound financial instrument having an equity component for conversion and liability component for cash outflows towards interest payments. Liability component is recorded as present value of cashoutflows towards interest portion and the residual amount after deducting the liability component from the gross value of the instrument is recorded as equity component post deferred tax adjustment (refer Note 15).

(d) Modification in terms of Compulsorily Convertible Debentures (CCDs): As per the original terms, the CCD holder was entitled to interest @ 10.50%. The Company entered into addendum agreement dated 28 September, 2023 with the CCD holder for alteration of the CCD terms. As per the new terms, the CCD holder shall be entitled to interest on principal amount at the rate of 10.50% p.a. till March 2029 and henceforth it will be 12.50% p.a. compounded on yearly basis until conversion. Company accounted the modification as substantial modification and recognised the gain of Rs. 96.38 million in equity.

E 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 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 March 31, 2024 is 8.65 % p.a. (March 31, 2023 9.25 % p.a and April 1, 2022 7.95% p.a.).

F Inter corporate deposit
The Company's fellow subsidiaries and other related party i.e Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Chanakya Private Limited have granted deposits to the Company, for a total of Rs 1,640.97 millions (Previous Year Rs 1099.99 millions) to meet working capital requirements and it is repayable on demand. The rate of interest as on March 31, 2024 is 12.50% (March 31, 2023 12.50% p.a. and April 1, 2022 12.50% p.a.)

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This section sets out an analysis of net debt and movements in net debt for each of the periods presented.

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Borrowings	16,746.07	15,913.95	15,676.57
Lease liabilities	1,824.15	1,749.62	1,678.16
Cash and cash equivalents	(97.94)	(409.34)	(503.78)
Total	**18,472.28**	**17,254.23**	**16,850.95**

Reconcilliation

	Borrowings	Lease liabilities	Cash and cash equivalents	Net
Net debt as at April 1, 2022	15,676.57	1,678.15	503.78	16,850.94
Interest expense	1,378.09	170.62	-	1,548.71
New leases	-	0.52	-	0.52
Cash flows	116.90	-	(94.44)	211.34
Interest paid	(1,257.61)	(99.68)	-	(1,357.29)
Net debt as at March 31, 2023	**15,913.95**	**1,749.61**	**409.34**	**17,254.22**
Interest expense	1,528.65	177.95	-	1,706.60
New leases	-	-	-	-
Cash flows	863.74	-	(311.40)	1,175.14
Gain on account of modification in the terms of compound financial instruments	(96.38)	-	-	(96.38)
Interest paid	(1,463.89)	(103.41)	-	(1,567.30)
Net debt as at March 31, 2024	**16,746.07**	**1,824.15**	**97.94**	**18,472.28**

18 Provisions

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-Current			
Provision for employee benefits:			
- Compensated absences	6.80	3.81	3.02
- Gratuity	21.63	19.14	24.68
Total	**28.43**	**22.95**	**27.69**
Current			
Provision for employee benefits:			
- Compensated absences	0.76	0.43	0.31
- Gratuity	7.82	3.85	0.58
Total	**8.58**	**4.28**	**0.89**

Refer note 39 for details

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19 Trade Payables

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Trade payables - micro and small enterprises (Refer note below)	12.45	24.39	21.08
Trade payables - others	77.46	86.33	72.09
Trade payables - to related parties (Refer note 40)	179.77	56.87	11.99
Total	**269.67**	**167.58**	**105.16**

Ageing of trade payables
As at March 31, 2024

	Unbilled	Not due	Outstanding for following periods from due dates				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	-	12.45	-	-	-	12.45
Others	38.46	-	217.55	1.21	-	-	257.22
Disputed trade payables	-	-	-	-	-	-	-
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**38.46**	**-**	**230.00**	**1.21**	**-**	**-**	**269.67**

As at March 31, 2023

	Unbilled	Not due	Outstanding for following periods from due dates				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises andsmall enterprises	-	-	24.39	-	-	-	24.39
Others	50.69	-	92.50	-	-	-	143.19
Disputed trade payables	-	-	-	-	-	-	-
Micro enterprises andsmall enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**50.69**	**-**	**116.89**	**-**	**-**	**-**	**167.58**

As at April 1, 2022

	Unbilled	Not due	Outstanding for following periods from due dates				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises andsmall enterprises	-	-	21.08	-	-	-	21.08
Others	10.47	-	73.41	0.20	-	-	84.08
Disputed trade payables	-	-	-	-	-	-	-
Micro enterprises andsmall enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**10.47**	**-**	**94.49**	**0.20**	**-**	**-**	**105.16**

Outstanding Dues to Micro and Small Enterprises

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	12.45	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	67.79	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.

20 Other financial liabilities

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Security deposits	59.62	49.87	43.02
Total	**59.62**	**49.87**	**43.02**
Current			
Security deposits	-	6.36	19.27
Capital creditors	47.62	28.28	-
Employee dues payable	21.94	15.48	28.73
Others (payable towards business acquisition)	-	1.08	1.08
Total	**69.56**	**51.20**	**49.08**

21 Other liabilities

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Deferred income on fair valuation of security deposits	9.57	17.06	25.36
Total	**9.57**	**17.06**	**25.36**
Current			
Contract Liability			
Advance from customers	48.52	104.19	53.36
Deferred revenue	11.73	14.79	11.39
Deferred income on fair valuation of security deposits	4.92	7.58	6.83
Statutory dues payable			
Provident fund payable	3.54	2.75	1.90
Employee state insurance payable	0.21	0.16	0.10
Professional tax payable	0.08	0.11	0.06
Tax deducted at source and equalisation levy payable	34.71	29.52	26.76
Total	**103.71**	**159.09**	**100.40**

22 Revenue from operations

(Rupees in Million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Sale of products:		
Food and beverages revenue	1,323.00	1,224.25
(b) Sale of services:		
Room income	1,687.85	1,409.28
Other allied services (laundry income, health club income, guest transfers, membership etc.)	213.57	185.71
Total	**3,224.42**	**2,819.23**

Reconciliation of revenue recognised with contract price

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contract price	**3,224.42**	**2,819.23**
Adjustments	-	-
Revenue from operations	**3,224.42**	**2,819.23**

Contract Balances

The contract liabilities primarily relates to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/ banquets. Revenue is recognized once the performance obligation is met i.e. on room stay/ sale of food and beverage/ provision of banquet services/ other allied services.
It also includes membership fee received for food and beverage based memberships programme and disclosed as income received in advance.

The Company has recorded revenue of Rs. 118.98 millions and Rs. 64.75 millions against opening balance of contract liabilities for the year ended March 31, 2024 and year ended March 31, 2023 respectively.

Contract liabilities

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Advance from customers	48.52	104.19	53.36
Deferred revenue	11.73	14.79	11.39
Total contract liabilities	**60.25**	**118.98**	**64.75**

(i) Significant changes in contract liabilities

	As at March 31, 2024	As at March 31, 2023
Contract liabilities		
Opening balance	118.98	64.75
Addition during the year	60.25	118.98
Revenue recognised that was included in the contract liability balance at th	(118.98)	(64.75)
Closing balance	**60.25**	**118.98**

The change in contract liabilities is on account of revenue recognised and advances received from customers during the period.

Timing of recognition

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	At a point in time	Over time	At a point in time	Over time
Room revenue	-	1,687.85	-	1,409.28
Revenue from foods and beverages	1,323.00	-	1,224.25	-
Other allied services (laundry income, health club incom	178.19	-	152.46	-
Other allied services (membership fees)	-	35.38	-	33.25
	1,501.19	**1,723.23**	**1,376.71**	**1,442.52**

23 Other income

(Rupees in Million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Other income:		
Interest income on financial assets recognised at amortised cost:		
- Deposits with banks	43.75	22.68
- Security deposits	0.22	0.19
- Others	0.89	0.89
Interest on Income Tax Refund	1.77	1.19
Income from rentals	216.79	227.51
Miscellaneous income (includes delivery charges, balanc	24.33	18.24
	287.75	**270.70**
(b) Other gains/(losses)		
Net foreign exchange differences	(0.38)	0.37
Net gain on disposal of property, plant and equipment	7.95	2.40
Net gain/(loss) on de-recognition of financial liability	(0.79)	0.70
	6.78	**3.47**
Total	**294.53**	**274.17**

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24 Cost of food and beverages consumed *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Food and beverages		
Opening inventories	47.86	19.90
Add : Purchases (net)	290.11	271.01
Less : Inventories at the end of the year	71.62	47.86
Cost of food and beverages consumed during the year	**266.35**	**243.04**

25 Employee benefit expenses *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	457.45	370.68
Contribution to provident and other funds (Refer note 39)	22.64	14.76
Staff welfare expenses	22.32	13.60
Gratuity (Refer note 39)	5.86	8.64
Compensated absences (Refer note 39)	3.32	0.91
Total	**511.58**	**408.60**

26 Finance costs *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on:		
- Rupee term loan	1,189.94	1,101.12
- Working capital term loan	14.84	10.14
- Liability component of compound financial instruments	139.90	120.48
- Inter corporate deposit	160.59	146.35
- Lease liabilities	177.95	170.62
- Security deposit	7.24	6.13
Total	**1,690.47**	**1,554.84**

27 Depreciation and amortisation expenses *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	181.03	217.89
Depreciation on right-of-use assets	54.74	54.47
Depreciation on investment property	5.22	5.20
Amortisation on intangible assets	9.05	8.65
Total	**250.04**	**286.21**

28 Other expenses *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and operating supplies	70.90	69.18
Power and fuel	82.56	65.74
Rent charges	11.01	8.71
Repairs and maintenance		
- buildings	30.28	34.00
- plant and machinery	35.19	48.74
- others	38.10	36.34
Insurance	10.37	9.91
Communication	3.51	3.26
Travelling and conveyance	17.57	9.09
Guest transport	17.74	15.41
Printing and stationary	7.29	6.14
Sales and credit card commission	83.70	70.88
Business promotion	120.18	106.31
Management fees (Refer note 40)	221.64	192.89
Legal and professional fees	19.05	38.42
Payment to auditors (Refer note 29 below)	2.21	1.80
Rates and taxes	64.85	62.17
Loss allowance	(3.42)	(0.08)
Bank charges	24.69	3.24
Miscellaneous expenses	71.62	71.06
Total	**929.02**	**853.23**

29 Details of payments to auditors *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to auditors		
As auditor:		
- Audit fee	2.10	1.80
- Out of pocket expenses	0.11	-
- Other service fee	-	-
In other capacities:		
- Taxation matters	-	-
- Company law matters	-	-
- Certification fees	-	-
- Reimbursement of expenses	-	-
Total	**2.21**	**1.80**

30 Corporate Social Responsibility

The Company is not required to incur any corporate social responsibility expenditure for the year ended March 31, 2024 and March 31, 2023.

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SCHLOSS BANGALORE PRIVATE LIMITED

31 Taxation

31(a) Taxation for the year

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity (if any) and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions (if any).

(a) Income tax expense *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax		
Current tax on loss for the year	-	-
Current tax impact of earlier years	-	-
Total current tax expenses	-	-
Deferred tax for the year		
Decrease/(increase) in deferred tax assets	59.51	42.69
(Decrease)/increase in deferred tax liabilities	(59.51)	(42.69)
Deferred tax impact of earlier years	-	-
Total deferred tax expenses/(income)	-	-
Income tax expense	-	-
Income tax expense attributable to :		
Profit from operations	-	-
Other comprehensive income/(loss)	-	-
Total	-	-

(b) Reconciliation of tax expense and accounting profit multiplies by applicable tax rate

	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss from operations before income tax expense	(128.51)	(252.52)
Tax rate	25.168%	25.168%
Tax at applicable rate	**(32.34)**	**(63.55)**
Tax effect of amounts which are not deductible / taxable in calculating taxable income :		
Disallowance of interest on compulsorily convertible debenture	35.21	30.32
Tax losses for which no deferred tax asset was recognised	(2.87)	33.23
Total	-	-

31(b) Taxation as at the year end

(a) Deferred tax asset/(liability) (net)

The balance comprises temporary differences attributable to:

		As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
A)	**Deferred tax assets**			
	Unabsorbed depreciation / business loss (Refer note below)	738.32	700.64	679.10
	Provisions for employee benefits	14.07	10.85	9.73
	Security deposits paid	37.72	35.98	34.31
	Loss allowance	1.05	2.16	2.64
	Deferred revenue	2.95	3.72	2.87
	Lease liability	459.10	440.34	422.36
		1,253.21	1,193.70	1,151.01
B)	**Deferred tax liability**			
	Property, plant and equipment, intangible assets and investment properties	663.78	595.94	540.36
	Right of use of asset	565.90	577.88	589.74
	Lease equalisation reserve	12.51	7.94	6.45
	Non-current borrowings	10.26	11.23	12.21
	Security deposits received	0.77	0.71	2.26
		1,253.21	1,193.70	1,151.01
	Net deferred tax asset/(liability)	-	-	-

In the absence of reasonable certainty, Deferred tax asset on account of unabsorbed depreciation / business loss has been recognised to the extent it can be realised against reversal of deferred tax liability.

(b) Tax losses

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Unused tax losses and unabsorbed depreciation for which no deferred tax asset has been recognised	699.12	673.02	537.79
Potential tax benefit @25.168%	175.96	169.39	135.35
Expiry date	April 1, 2024 to April 1, 2032	April 1, 2023 to April 1, 2031	April 1, 2022 to April 1, 2030

31 Taxation (Cont.)
(c)Movement in deferred tax liabilities/assets

Movement in Deferred tax for the period ended 31 March 2024

	Balance as on 31 March 2023	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge/(credit)	Accounted through other equity charge/(credit)	Balance as on 31 March 2024
Deferred tax assets	**1,193.70**	**59.51**	-	-	**1,253.21**
Unabsorbed depreciation / business loss	700.64	37.68	-	-	738.32
Provisions for employee benefits	10.85	3.21	-	-	14.07
Compulsarily convertible debentures liability component	-	-	-	-	-
Security deposits paid	35.98	1.74	-	-	37.72
Loss allowance	2.16	(1.11)	-	-	1.05
Deferred revenue	3.72	(0.77)	-	-	2.95
Lease liability	440.34	18.76	-	-	459.10
Deferred tax liability	**1,193.70**	**59.51**	-	-	**1,253.21**
Property, plant and equipment, intangible assets and investment properties	595.94	67.84	-	-	663.78
Right of use of asset	577.88	(11.98)	-	-	565.90
Lease equalisation reserve	7.94	4.57	-	-	12.51
Non-current borrowings	11.23	(0.98)	-	-	10.26
Security depoists received	0.71	0.06	-	-	0.77
Total	-	-	-	-	-

Movement in Deferred tax for the period ended 31 March 2023

	Balance as on 1 April 2022	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge/(credit)	Accounted through other equity charge/(credit)	Balance as on 31 March 2023
Deferred tax assets	**1,151.01**	**42.69**	-	-	**1,193.70**
Unabsorbed depreciation / business loss	679.10	21.54	-	-	700.64
Provisions for employee benefits	9.73	1.13	-	-	10.85
Security deposits paid	34.31	1.67	-	-	35.98
Loss allowance	2.64	(0.48)	-	-	2.16
Deferred revenue	2.87	0.86	-	-	3.72
Lease liability	422.36	17.99	-	-	440.34
Deferred tax liability	**1,151.01**	**42.69**	-	-	**1,193.70**
Property, plant and equipment, intangible assets and investment properties	540.36	55.58	-	-	595.94
Right of use of asset	589.74	(11.86)	-	-	577.88
Lease equalisation reserve	6.45	1.49	-	-	7.94
Non-current borrowings	12.21	(0.98)	-	-	11.23
Security depoists received	2.26	(1.54)	-	-	0.71
Total	-	-	-	-	-

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Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

32 Fair Value Measurement

As at 31 March 2024
Financial instruments by category *(Rupees in Million)*

	Carrying amount			
	FVTPL	**Amortised cost**	**FVOCI**	**Total**
Financial assets				
Trade receivables	-	90.85	-	90.85
Cash and cash equivalents	-	97.94	-	97.94
Bank balances other than cash and cash equivalents	-	616.28	-	616.28
Other financial assets	-	317.68	-	317.68
Investments in equity instruments (Level 3)	0.19	-	-	0.19
Total financial assets	**0.19**	**1,122.75**	**-**	**1,122.94**
Financial liabilities				
Borrowings	-	16,746.07	-	16,746.07
Trade payables	-	269.67	-	269.67
Lease liabilties	-	1,824.15	-	1,824.15
Other financial liabilities	-	129.18	-	129.18
Total financial liabilities	**-**	**18,969.07**	**-**	**18,969.07**

As at 31 March 2023
Financial instruments by category

	Carrying amounts			
	FVTPL	**Amortised cost**	**FVOCI**	**Total**
Financial assets				
Trade receivables	-	126.39	-	126.39
Cash and cash equivalents	-	409.34	-	409.34
Bank balances other than cash and cash equivalents	-	134.32	-	134.32
Other financial assets	-	146.81	-	146.81
Investments in equity instruments (Level 3)	0.19	-	-	0.19
Total financial assets	**0.19**	**816.86**	**-**	**817.05**
Financial liabilities				
Borrowings	-	15,913.95	-	15,913.95
Trade payables	-	167.58	-	167.58
Lease liabilties	-	1,749.62	-	1,749.62
Other financial liabilities	-	101.07	-	101.07
Total financial liabilities	**-**	**17,932.22**	**-**	**17,932.22**

As at April 1, 2022
Financial instruments by category

	Carrying amount			
	FVTPL	**Amortised cost**	**FVOCI**	**Total**
Financial assets				
Trade receivables	-	85.63	-	85.63
Cash and cash equivalents	-	503.78	-	503.78
Bank balances other than cash and cash equivalents	-	14.28	-	14.28
Other financial assets	-	156.00	-	156.00
Investments in equity instruments (Level 3)	0.19	-	-	0.19
	0.19	**759.69**	**-**	**759.88**
Financial liabilities				
Trade payables	-	15,676.57	-	15,676.57
Lease liabilties	-	105.16	-	105.16
Other financial liabilities	-	1,678.15	-	1,678.15
	-	92.10	-	92.10
Total financial liabilities	**-**	**17,551.98**	**-**	**17,551.98**

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements).

The carrying amounts of trade receivables, cash and cash equivalents, fixed deposits with banks, current borrowings, trade payables, capital creditors, security deposits, employee dues payable are considered to be the same as their fair values, due to their short-term nature.

Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

Investments in unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, also the difference between the fair value and carrying value is not significant. Hence, carrying value has been considered as the best estimate of fair value.

Further, the Company has valued compound financial instrument (both financial liability and equity component) at fair value on intial recognition. Financial liability subsequently measured at amortised cost by adding unwinded interest. The inter-corporate deposit is having fair value equivalent to carrying amount as it is repayable on demand and classified as current financial liability.

The current lending rate and the rate used in determination of fair value at inception for security deposits, lease liabilities, non-current borrowings and compound financial instruments are not significantly different. Accordingly, the fair value and carrying value for security deposits, lease liabilities, non-current borrowings and compound financial instruments are same.

The fair-value-hierarchy under Ind AS 113 are described below:
Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between different fair value hierarchy levels for the years ended March 31, 2024, March 31, 2023 and April 1, 2022.

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33 Financial Risk Management

The Company's business activities expose it to market risk, liquidity risk and credit risk. The management develops and monitors the Company's risk management policies. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and monitor risks and adherence to limits.

Finance team and experts of respective business divisions provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:
- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

A. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from trade receivables, cash and cash equivalents, bank balance, fixed deposits with banks, security deposits and other financial assets.

The Company is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, bank deposits, trade receivables, security deposits and other receivables. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.
With respect to other financial assets namely security deposits and other receivables, the maximum exposure to credit risk is the carrying amount of these classes of financial assets presented in the Balance Sheet. These are actively monitored and confirmed by the Company. Currently, the credit risk arising from such security deposits and other receivables is evaluated to be immaterial for the Company.

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Trade receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company operates only in one geographical location i.e. in India. Considering the industry in which the company is operating, there is no major long outstanding receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forwardlooking information. The carrying amounts of trade receivables as disclosed in note number 10 represent the maximum credit risk exposure.

The movement in loss allowance in respect of trade receivables is as follows:

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	8.58	10.50
Impairment losses (recognised)/ reversed on receivables	(3.42)	(0.08)
Amounts written off during the year	(0.98)	(1.84)
Balance at the end of the year	**4.17**	**8.58**

Financial assets at FVTPL The Company is also exposed to credit risks in relation to financial assets (investment) that are measured at FVTPL. The maximum exposure at the end of the reporting period is the carrying amount of these assets.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. In addition, processes and policies related to such risks are overseen by senior management.

The Company believes that the working capital is sufficient to meet its current requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Also refer note on going concern assessment (Refer Note 2.3). Accordingly, no liquidity risk is perceived.

(i) Financing arrangements
The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Fixed interest rate	-	-	-
Floating interest rate	38.00	960.00	960.00
Total	**38.00**	**960.00**	**960.00**

(ii) Maturities of financial liabilities
The table below summarises the maturity profile of the company's financial liabilities based on their contractual payments. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discouting is not significant.

Contractual maturities of financial liabilities

As at March 31, 2024	Carrying amount	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	16,746.07	3,809.83	1,913.23	7,663.26	14,133.46	27,519.77
Lease liabilities	1,824.15	107.85	113.24	374.85	13,762.18	14,378.12
Trade payables	269.68	269.68	-	-	-	269.68
Other financial liabilities	129.18	69.56	14.25	62.93	-	146.74
Total financial liabilities	**18,969.08**	**4,256.92**	**2,040.72**	**8,101.04**	**27,915.63**	**42,314.31**

As at March 31, 2023	Carrying amount	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	15,913.95	2,787.73	1,740.65	6,825.45	16,204.67	27,558.50
Lease liabilities	1,749.62	103.03	108.29	357.00	13,913.27	14,481.59
Trade payables	167.58	167.58	-	-	-	167.58
Other financial liabilities	101.07	52.67	13.68	2.67	91.65	160.67
Total financial liabilities	**17,932.22**	**3,111.01**	**1,862.62**	**7,185.12**	**30,209.59**	**42,368.34**

As at April 1, 2022	Carrying amount	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	15,676.57	2,613.61	1,370.02	8,561.61	16,346.88	28,892.11
Lease liabilities	1,678.16	97.82	102.71	340.00	14,038.12	14,578.66
Trade payables	105.16	105.16	-	-	-	105.16
Other financial liabilities	92.10	49.08	13.68	11.44	82.88	157.08
Total financial liabilities	**17,551.99**	**2,865.67**	**1,486.41**	**8,913.04**	**30,467.88**	**43,733.01**

C. Market risk

(a) Foreign currency risk
Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company makes payments internationally and is exposed to foreign exchange risk arising from foreign currency purchases, primarily with respect to USD and GBP. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Rs.) at the year end. The Company's exposure to foreign currency risk, expressed in Rs., is given in the table below. The amounts represent only the financial assets and liabilities that are denominated in currencies other than the functional currency of the Company.

I. The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise are as follows:

	As at March 31, 2024		
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (Rs. in millions)
Liabilities			
Trade payables	EUR	371.52	0.03
Trade payables	USD	54,861.93	4.57
Total exposure			**4.61**
Less: exposure hedged			(4.61)
Unhedged exposure			-

	As at March 31, 2023		
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (Rs. in millions)
Liabilities			
Trade payables	EUR	811.60	0.07
Trade payables	USD	34,372.27	2.83
Trade payables	SGD	2,027.56	0.12
Total exposure			**3.02**
Less: exposure hedged			(3.02)
Unhedged exposure			-

	As at April 1, 2022		
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (Rs. in millions)
Liabilities			
Trade payables	EUR	-	-
Trade payables	USD	52,734.40	4.00
Total exposure			**4.00**
Less: exposure hedged			(4.00)
Unhedged exposure			-

The Company have purchased forward contracts to hedge its foreign currency risk. The Company has not formally designated these forward contracts against foreign currency payables.

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The following table presents the outstanding position and fair value of various foreign currency derivative financial instruments:

	As at March 31, 2024			
	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/Rs.	83.71	20.65	-
Buy	EUR/Rs.	91.09	0.12	-
Buy	GBP/Rs.	105.75	0.46	-
Total				-

	As at March 31, 2023			
	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/Rs.	82.79	18.74	-
Buy	GBP/Rs.	102.70	3.08	-
Buy	EUR/Rs.	90.69	0.19	-
Total				-

	As at April 1, 2022			
	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/Rs.	76.49	21.03	-
Buy	EUR/Rs.	86.13	0.09	-
Buy	GBP/Rs.	100.92	0.10	-
Sell	USD/Rs.	76.49	21.03	-
Sell	EUR/Rs.	86.13	0.09	-
Sell	GBP/Rs.	100.92	0.10	-
Total				-

ii. Foreign exchange sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The table below shows the sensitivity of profit or loss to a 1% change in foreign exchange rates.

	Impact on Profit or Loss	
	For the Year ended March 31, 2024	For the Year ended March 31, 2023
EUR sensitivity		
Rs./ EUR - Increase by 1%	(0.00)	(0.00)
Rs./ EUR - Decrease by 1%	0.00	0.00
USD sensitivity		
Rs./ USD - Increase by 1%	(0.05)	(0.03)
Rs./ USD - Decrease by 1%	0.05	0.03
SGD sensitivity		
Rs./ SGD - Increase by 1%	-	(0.00)
Rs./ SGD - Decrease by 1%	-	0.00

b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the following variable rate borrowings outstanding

	As at March 31, 2024		
	Weighted average interest rate	Balance	% of total loans
Term loans	MCLR + spread of 0.75% to 1.6%	15,499.52	93%

	As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans
Term Loans	MCLR + spread of 0.75% to 1.6%	14,687.34	92%

	As at April 1, 2022		
	Weighted average interest rate	Balance	% of total loans
Term Loans	MCLR + spread of 0.75% to 1.6%	14,548.90	93%

An analysis by maturities is provided in note 33(b)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Cash flow sensitivity analysis for variable rate instruments

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	As at March 31, 2024	As at March 31, 2023
	Impact on profit after tax	Impact on profit after tax
Interest sensitivity		
Interest rates – increase by 100 basis points	(155.00)	(146.87)
Interest rates – decrease by 100 basis points	155.00	146.87

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34 Capital Management

The Company considers its total equity as shown in the balance sheet including share capital and retained earnings as the components of its balance sheet of managed capital. The Company's objectives when managing capital are:
- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders.

The gearing ratios were as follows:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Borrowings	16,746.07	15,913.95	15,676.57
Lease liabilities	1,824.15	1,749.62	1,678.16
Less: Cash and Cash Equivalents	(97.94)	(409.34)	(503.78)
Less: Other Balance with bank (short term deposits)	(616.28)	(134.32)	(14.28)
Net Debt	17,856.00	17,119.91	16,836.67
Total equity	(248.87)	(211.12)	39.20
Net debt to equity ratio	**(71.75)**	**(81.09)**	**429.51**

Loan covenants: Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants as disclosed under note 17. The Company has complied with the applicable financial covenants.

35 Segment information

The Company is engaged in the business of hoteliering. The Board of Directors has appointed a strategic steering committee as Chief Operating Decision Maker ("CODM") which assesses the financial performance and position of the Company, and makes strategic decisions. The CODM of the Company examines the performance and make decisions for resource allocation. The CODM reviews these activities as one single segment to evaluate the overall performance of the Company operations. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability is as reflected in the financial statements.

The Company provides services to customers in India. Hence, statement for geographical information is not applicable.

There are no key customers with company contributing more than 10% of entire revenue.

36 Contingent liabilities

(Rupees in Million)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Claims against the Company not acknowledged as debt, in respect of -			
Disputed statutory liabilities (refer note below)	79.52	41.64	38.53
Total	**79.52**	**41.64**	**38.53**

Note:
The breakup of disputed statutory liabilities is as under:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Department in appeals			
Service tax*	79.52	40.36	37.41
VAT#	-	1.28	1.12
	79.52	**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 availment 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. 0.08 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.

37 Commitments
Estimated amount of contracts remaining to be executed on account of purchase of property, plant and equipment and not provided for (net of capital advances) amounts to Rs. 88.64 million (March 31, 2023 - Rs. 125.19 million and April 1, 2022 - Rs. Nil).

38 Earnings per share
The number of equity shares used in computing Basic Earnings Per Share is the weighted average number of equity shares outstanding during the year.

(Rupees in Million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic earnings per share		
Loss for the year (A)	(128.51)	(252.52)
Weighted average number of equity shares for the purposes of basic earnings per share (B)	3,51,97,064	3,51,97,064
Basic Earnings per equity share C=(A/B) in Rs.	(3.65)	(7.17)
Diluted earnings per share		
Profit attributable to the equity holders of the company (A)		
Used in calculating basic earning per share	(128.51)	(252.52)
Add: Finance cost saved on compulsorily convertible debentures	139.90	120.48
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	11.39	(132.04)
Weighted average number of shares used as the denominator (B)		
Equity Shares	2,01,69,566	2,01,69,566
Equivalent shares of CCDs	1,50,27,498	1,50,27,498
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	3,51,97,064	3,51,97,064
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares used and potential equity shares used as the denominator in calculating diluted earnings per share*	3,51,97,064	3,51,97,064
Diluted Earnings per equity share C=(A/B) in Rs.**	**(3.65)**	**(7.17)**

*Weighted average number of mandatorily convertible instruments (CCDs) included in the denominator in calculating basic earnings as per para 23 of Ind-AS 33.

**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.

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39 Employee Benefit Obligation

a) Compensated absences

Compensated absences covers the Company's liability for earned leaves. Accumulated compensated absences, which are expected to be availed or encashed are treated as employee benefits. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the period end.

The Company's liability is actuarially determined (using the Projected Unit Credit method) by an Independent actuary at the end of the period. Actuarial losses/ gains are recognised in statement of profit or loss in the period in which they arise.

The expense of compensated absences (non-funded) for the year ended March 31, 2024 amounting to Rs. 3.32 millions (March 31, 2023: Rs. 0.91 millions) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using projected unit credit method.

b) Post employment obligations

Provident fund and Employees State Insurance Commission - 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 and employees state insurance for the period aggregated to Rs. 22.64 millions (March 31, 2023: Rs. 14.76 millions)

Gratuity - Defined benefit plan

The Company operates post-employment funded defined benefit plan that provides gratuity. 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 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.

Amounts recognised in the statement of profit and loss: *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined contribution plans		
- Employer's contribution to provident and other funds	22.64	14.76
Total	**22.64**	**14.76**
Defined benefit plans		
- Gratuity	5.86	8.64
Total	**5.86**	**8.64**

Amounts recognised in other comprehensive income:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurements for:		
- Gratuity	(5.62)	2.20
Total	**(5.62)**	**2.20**

Gratuity plan

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Present value of defined benefit obligation	37.48	31.04	26.38
Fair value of plan assets	8.04	8.05	1.13
Net defined benefit obligation	**(29.45)**	**(22.99)**	**(25.25)**
Present value of funded defined benefit obligations	-	-	-
Impact of minimum funding requirement/asset	-	-	-
Net defined benefit liability recognised in the Balance Sheet	**(29.45)**	**(22.99)**	**(25.25)**
Net defined benefit liability is bifurcated as follows:			
Current	7.82	3.85	0.58
Non-current	21.63	19.14	24.68

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the period are as follows:

	Present value of obligations	Fair value of plan assets	Net amount
As at April 1, 2022	**26.38**	**1.13**	**25.25**
Current service cost	4.71	-	4.71
Interest expense/ (income)	1.92	-	1.92
Total amount recognised in the statement of profit and loss	**6.62**	-	**6.62**
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.32	(0.32)
- (Gain)/ loss from change in demographic assumptions	-	-	-
- (Gain)/ loss from change in financial assumptions	(0.41)	-	(0.41)
- Experience (gains)/ losses	(1.55)	-	(1.55)
Total amount recognised in other comprehensive income	**(1.96)**	0.32	**(2.28)**
Employer contributions	-	6.60	(6.60)
Benefit payments	-	-	-
As at March 31, 2023	**31.04**	**8.05**	**22.99**
Current service cost	4.49	-	4.49
Interest expense/ (income)	2.29	-	2.29
Total amount recognised in the statement of profit and loss	**6.78**	-	**6.78**
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.30	(0.30)
- (Gain)/ loss from change in demographic assumptions	(2.18)	-	(2.18)
- (Gain)/ loss from change in financial assumptions	5.09	-	5.09
- Experience (gains)/ losses	2.41	-	2.41
Total amount recognised in other comprehensive income	**5.32**	0.30	**5.02**
Employer contributions	-	5.35	(5.35)
Benefit payments	(5.66)	(5.66)	-
As at March 31, 2024	**37.48**	**8.04**	**29.45**

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Actuarial assumptions were as follows:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Discount rate (p.a.)	7%	7.39%	7.26%
Salary growth rate (p.a.)	8%	7.00%	7.00%
Mortality rates inclusive of provision for disability	IALM(2012-14)	IALM(2012-14)	IALM(2012-14)
Attrition at Ages			
- Up to 30 Years	30%	2.00%	2.00%
- From 31 to 44 years	25%	1.00%	1.00%
- Above 44 years	2%	1.00%	1.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity analysis
Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

	As at March 31, 2024	As at March 31, 2023
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	37.48	31.04
Impact due to increase of 0.50%	(1.08)	(1.65)
Impact due to decrease of 0.50%	1.14	1.81
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	37.48	31.04
Impact due to increase of 0.50%	1.13	1.81
Impact due to decrease of 0.50%	(1.08)	(1.66)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

The major categories of plans assets
The plans assets of the defined benefit plan are covered by the Company into funds managed by insurer.

Maturity analysis
The weighted average duration to the payment of these cash flows is 1.08 years (previous year - 22.36 years)
The expected maturity analysis of undiscounted post-employment defined benefit obligations is as follows:

(Rupees in Million)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2024					
- Gratuity	7.82	2.60	8.37	18.70	37.48
Total	**7.82**	**2.60**	**8.37**	**18.70**	**37.48**
As at March 31, 2023					
- Gratuity	3.85	1.13	2.22	23.85	31.04
Total	**3.85**	**1.13**	**2.22**	**23.85**	**31.04**
As at 1 April 2022					
- Gratuity	0.58	0.33	1.78	23.69	26.38
Total	**0.58**	**0.33**	**1.78**	**23.69**	**26.38**

Risk exposure:

Gratuity is a defined benefit plan and the Company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future expected salaries of employees. As such, an increase in the salary expected by more than assumed level will increase the plan's liability.
Withdrawal risk: The risk that the usual timeframe for withdrawal requests is not met, or the withdrawals from the fund due to severe adverse market conditions are suspended.
Mortality risk: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

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Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

40 Related party transactions

A Name of related parties

i List of related parties where control exists and relationships

(i) Holding Company
Project Ballet Bangalore Holdings (DIFC) Private Limited, Holding Company

(ii) Fellow subsidiaries
Schloss HMA Private Limited
Schloss Chennai Private Limited
Schloss Udaipur Private Limited
Schloss Gandhinagar Private Limited
Leela Palaces and Resorts Limited
Tulsi Palace Resort Private Limited
Schloss Chanakya Private Limited
Moonburg Power Private Limited (w.e.f 29th March 2023)
Schloss Tadoba Private Limited (w.e.f. 16th August 2022)
Summitt Digitel Infrastructure Private Limited
Brookprop Management Services Private Limited
Arliga India Office Parks Private Limited
Arliga Ecoworld Infrastructure Private Limited
Cowrks India Private Limited

ii Key management personnel
Mr. Anuraag Bhatnagar, Director
Mr. Ravi Shankar, Director
Mr. Madhav Sehgal, Director and Area Vice President South
Mr. Subrat Sinha, Area Director of Finance South

C Transactions with related parties
The following transactions occurred with related parties *(Rupees in Million)*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Management fees expense		
Schloss HMA Private Limited	221.64	192.89
Reimbursement of expenses paid to / (received from)		
Schloss Chennai Private Limited	(1.35)	1.41
Schloss Chanakya Private Limited		
Schloss HMA Private Limited	40.45	21.66
Schloss Udaipur Private Limited	(0.16)	(0.27)
Schloss Chanakya Private Limited	0.39	(0.24)
Tulsi Palace Resort Private Limited	(3.22)	(155.58)
Arliga India Office Parks Private Limited	(3.44)	(0.77)
Arliga Ecoworld Infrastructure Private Limited	0.12	(2.46)
Cowrks India Private Limited	0.14	-
Other Income		
Summitt Digitel Infrastructure Private Limited	0.61	0.86
Payment made towards consultancy services		
Brookprop Management Services Private Limited	9.68	6.22
Interest income on capex limit utilisation		
Schloss Udaipur Private Limited	0.15	0.04
Inter corporate deposit taken		
Schloss Udaipur Private Limited	40.00	-
Schloss Chanakya Private Limited	605.00	-
Inter corporate deposit settlement		
Schloss Udaipur Private Limited	59.06	-
Schloss Chennai Private Limited	44.97	-
Schloss Chanakya Private Limited	-	117.94
Interest on inter corporate deposit		
Schloss Udaipur Private Limited	85.96	87.50
Schloss Chennai Private Limited	47.60	50.00
Schloss Chanakya Private Limited	27.19	9.29
Interest on unsecured compulsorily convertible debentures		
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	139.90	120.48
Managerial remuneration*		
Short term employment benefits		
Mr. Madhav Sehgal	15.14	13.27
Mr. Subrat Sinha	5.95	4.03

* 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.

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D Outstanding balance

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Trade payables (including accrued expenses)			
Schloss HMA Private Limited	172.48	54.96	13.38
Schloss Udaipur Private Limited		-	0.30
Schloss Chennai Private Limited	0.34	1.64	0.10
Schloss Chanakya Private Limited	0.80	0.28	
Brookprop Management Services Private Limited	6.57	-	-
Cowrks India Private Limited*	0.00	-	-
Capital creditors			
Brookprop Management Services Private Limited	-	0.18	-
Other receivable			
Schloss Chanakya Private Limited	-	-	0.14
Trade receivable			
Schloss Gandhinagar Private Limited	-	-	0.16
Schloss Udaipur Private Limited	0.17	-	-
Tulsi Palace Resort Private Limited	-	-	0.04
Summitt Digitel Infrastructure Private Limited	0.03	0.07	0.05
Arliga India Office Parks Private Limited	-	0.12	1.29
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	680.94	700.00	700.00
Schloss Chennai Private Limited	355.03	400.00	400.00
Schloss Chanakya Private Limited	605.00	-	117.94
Interest on intercorporate deposit			
Schloss Udaipur Private Limited	26.61	79.18	0.43
Schloss Chennai Private Limited	18.06	45.25	0.25
Schloss Chanakya Private Limited	24.47	-	0.55
Equity component of compound financial instruments			
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	603.09	506.71	506.71
Financial liability component of unsecured compulsorily convertible debentures			
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	1,246.55	1,226.61	1,127.67

*Amount outstanding towards Cowrks India Private Limited is Rs 4,720

Corporate guarantee

Company's fellow subsidiaries i.e. Schloss HMA Private Limited and Leela Palaces and Resorts Limited and the intermediate holding company i.e. BSREP III India Ballet Holdings (DIFC) Limited, 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.

Other Security

Company's fellow subsidiary i.e Leela Palace Resorts Limited and the intermediate holding company i.e the Project Ballet Bangalore Holdings (DIFC) Private Limited have extended the mortgage on the land and pledged 30% shares of the Company respectively for the term loan availed by the Company.

E Names of Related parties where control exists

Project Ballet Bangalore Holdings (DIFC) Private Limited (Holding Company), BSREP III India Ballet Holdings (DIFC) Limited (Intermediate Holding Company - from March 31 2022), and BSREP III India Ballet Pte. Ltd. (Intermediate Holding Company - upto March 30, 2022) and Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.) (Ultimate controlling party).

F Terms and conditions

All outstanding balances are unsecured and repayable in cash. All transactions were made on normal commercial terms and conditions and at market rates.

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SCHLOSS BANGALORE LIMITED

41 First time adoption of Ind AS

Transition to Ind AS
These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2024, the comparative information presented in these financial statements for the year ended March 31, 2023 and in the preparation of an opening Ind AS balance sheet at April 1, 2022 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) notified under Section 133 of the Companies Act 2013 and other relevant provisions of the Act ("previous GAAP"). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed
In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 1, 2022 and the financial statements as at and for the year ended March 31, 2023.

A.1 Ind AS optional exemptions
Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS.

A.1.1. Fair value as deemed cost exemption
Ind AS 101 permits a first-time adopter to elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their fair value as on the transition date.

A.1.2 Business combinations
The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2022, pursuant to which goodwill arising from a business combination has been stated at the carrying amount prior to the date of transition under Previous GAAP.

A.1.3 Leases
An entity has to assess whether a contract or arrangement contains a lease as per Ind AS 116. As a first time adopter, entity has an option to make this assessment on the basis of facts and circumstances existing at the date of transition as per Ind AS 101. The Company has elected to apply this exemption for such contracts/arrangements.

Under Ind AS 101 an entity can elect not to apply the requirement to create a right of use asset and lease liability as on the date of transition with respect to the leases for which the lease term ends within 12 months of the date of transition. The Company has opted to apply this practical exemption and has not recognized a right of use asset and a corresponding lease liability in respect of leases where the lease term ends within 12 months from the date of transition.

In cases where the lease term ends beyond a period of 12 months from the date of transition, the Company has applied modified retrospective approach and measured its lease liability at the present value of the remaining lease payments discounted using the Company's incremental borrowing rate at the date of transition to Ind AS. Further, the right-to-use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

A.1.4 Revenue form contract with customers
A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

As a first time adopter of Ind AS, the Company has decided to use the above exemption.

A.2 Ind AS mandatory exceptions
The Company has applied the following exceptions from full retrospective application of Ind AS which are mandatorily required under Ind AS 101:

A.2.1 Estimates
The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:
- Impairment of financial assets based on expected credit loss model;
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances existing at the transition date.

A.2.3 Impairment of financial assets
Application of the impairment requirements of Ind AS 109 retrospectively.
The Company has applied impairment requirements of Ind AS 9 retrospectively using reasonable and supportable information to determine the credit risk at the date when the financial instruments were initially recognised, and to compare that to the credit risk at the date of transition to Ind AS standards. Requirements under Ind AS 109 for impairment are applied against trade receivables.

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B: Reconciliations between IGAAP and Ind AS

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(a) Reconciliation of total equity as at April 1, 2022 and March 31, 2023.

(b) Reconciliation of total comprehensive income for the year ended March 31, 2023.

(c) Reconciliation of consolidated statement of cash flows for the year ended March 31, 2023.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

Reconciliation of total equity as at March 31, 2023 and April 1, 2022 between previous GAAP and Ind AS

Particulars	Note	As at March 31, 2023	As at April 1, 2022
Total equity under previous GAAP		**(2,183.67)**	**(1,743.31)**
Ind AS adjustments:			
- Equity component of compound financial instruments recorded separately	1	506.71	506.71
- Impact of finance cost on compound financial instrument	1	58.25	6.44
- Fair valuation of property, plant and equipment	2	1,270.04	1,270.04
- Depreciation on fair valued property, plant and equipment	2	(58.83)	-
- Reversal of amortisation of goodwill	10	279.96	-
- Transaction cost on borrowings recorded as part of effective interest rate	3	44.62	48.50
- Fair valuation of security deposit given	4	(136.14)	(136.33)
- Fair valuation of security deposit received	4	(3.29)	2.14
- Impact of loss allowance	13	(8.58)	(10.50)
- Impact of deferred rental income booked	4	6.83	-
- Impact of right of use assets	6	1,606.35	1,645.08
- Impact of lease liabilities	6	(1,578.56)	(1,538.17)
- Deferral of membership revenue	11	(14.79)	(11.39)
Deferred tax impact on Ind AS adjustments		-	-
Total equity under Ind AS		**(211.11)**	**39.20**

Reconciliation of total comprehensive income as at March 31, 2023

Particulars	Note	For the year ended March 31, 2023
Loss after tax under previous GAAP		**(440.37)**
Ind AS adjustments:		
- Transaction cost on borrowings recorded as part of effective Interest rate	3	(3.87)
- Impact of finance cost on compound financial instrument	1	51.81
- Impact of finance cost unwinding on security deposit	4	(5.43)
- Impact of deferred rental income booked during the year	4	6.83
- Impact of interest on lease liabilities	6	(170.60)
- Impact of lease rentals charged to the statement of profit or loss now reversed	6	130.21
- Impact of reversal of amortisation of goodwill	10	279.96
- Impact of depreciation cost on right of use of asset	6	(38.73)
- Interest income on security deposit	4	0.19
- Remeasurements of post employment benefit obligations	5	(2.20)
- Impact of loss allowance	13	1.92
- Deferral of membership revenue	11	(3.40)
- Depreciation on fair valued property, plant and equipment	2	(58.83)
Deferred tax impact on adjustments	9	-
Total Adjustments		**187.86**
Profit after tax as per Ind AS		**(252.51)**
Other comprehensive income		
Remeasurements of post employment benefit obligations	5	2.20
Deferred tax impact on adjustments	5	-
Total comprehensive income under Ind AS		**(250.31)**

Impact of Ind AS adoption on the statement of cash flows for the year ended March 31, 2023:

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	1,445.56	97.96	1,543.52
Net cash flows from investing activities	(396.74)	(1.35)	(398.09)
Net cash flows from financing activities	(1143.25)	(96.62)	(1239.87)
Net increase/(decrease) in cash and cash equivalents	**(94.43)**	**-0.01**	**(94.44)**

The adjustments are mainly due to leases considered under financing activity under Ind AS 116 whereas it was considered as operating activity under IGAAP.

C: Notes to first-time adoption:

1: Compound Financial Instrument

Under Ind AS on initial recognition, the issuer of a compound instrument first measures the liability component at its fair value. The equity component is measured as the residual amount that results from deducting the fair value of the liability component from the initial carrying amount of the instrument as a whole. As a result of this classification guidance under Ind AS the compulsorily convertible debentures (CCDs) issued by the Company were earlier classified as borrowings under previous GAAP are now classified as compound financial instruments resulting in decrease of horrowings by Rs. 506.71 millions with the corresponding increase in other equity as at April 1, 2022. For the liability component valued at fair value initially, finance charge is booked over the term of the CCDs at rate of similar financial instrument without the conversion option (10.5%) and interest at coupon rate booked under previous GAAP would be derecognised resulted in decrease of retained earning at April 1, 2022 by Rs. 6.44 millions. For the year ended March 31, 2023 net interest cost was charged on the liability component resulting in decrease in loss for the year ended March 31, 2023 by Rs. 51.81 million.

2: Fair valuation of property, plant and equipment

On the date of transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at fair value and use that fair value as its deemed cost. The aggregate impact of fair values of such property, plant and equipment has increased the total equity by Rs. 1270.04 millions as at April 1, 2022. Consequently, depreciation relating to the above differences in the cost of property, plant and equipment under Ind AS and previous GAAP has also been adjusted in the profit and loss statement for March 2023 of Rs. 58.83 million.

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Schloss Bangalore Private Limited

3: Impact of transaction cost on borrowings to be recognised over loan term
Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit or loss over the tenure of the borrowings as a part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to the statement of profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2023 were reduced by Rs. 44.62 millions (April 1, 2022 - Rs. 48.50 millions) with the corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. Under Ind AS, finance cost of Rs. 3.87 millions has been charged to statement of profit and loss for amortisation of such transaction cost during the year ended 31 March 2023.

4: Fair valuation of security deposit assets and liabilities
Under Previous GAAP, security deposit assets and liabilities (that are refundable in cash on completion of the lease term) were recognised at their transaction value. Under Ind AS, all the interest free financial assets and liabilities to be recognised at the fair value. Accordingly, the Company has fair valued these security deposits under Ind AS.

Difference between the fair value and transaction value of the deposits has been recoginised as right of use assets in case of security deposits given. Consequent to this change, the amount of security deposits given decreased by Rs. 136.14 millions as at March 31, 2023 (April 1, 2022 - Rs. 136.33) with the corresponding impact to right of use assets. The loss for the year as at March 31, 2023 increased by Rs. 38.73 millions due to amortisation of right of use assets which is partially off set by the notional interest income of Rs. 0.19 millions recognised on security deposits given with the corresponding impact in total equity.

Further, difference between the fair value and transaction value of the deposits received has been recoginised as deferred income. Consequent to this change, the amount of security deposits received decreased by Rs. 3.29 millions as at March 31, 2023 (April 1, 2022 increased by Rs. 2.14 millions) with the corresponding impact to deferred income. The loss for the year as at March 31, 2023 reduced by Rs. 6.83 millions due to recognition of rental income and gain on de recognition of financial liability of Rs. 0.70 millions which is partially off set by the notional interest expense of Rs. 6.13 millions recognised on security deposits received with the corresponding impact in total equity.

5: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts already included in the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2023 decreased by Rs. 2.20 millions with corresponding decrease in other comprehensive income. There is no impact on the total equity as at March 31, 2023 and as at April 01, 2022.

6: Recognition of right of use assets and lease liability

As per Ind-AS 116, the Company recognised a lease liability and right-of-use asset for all contracts that are or contain a lease unless the lease contract pertain to short-term leases or leases for which the underlying asset is of low value. The lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at April 1, 2022. Further, the right-to-use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS. The weighted average lessee's incremental borrowing rate applied to lease liabilities as on 1 April 2022 was 10.50%.

The Company has recognised a lease liability of Rs. 1538.17 millions and right-of-use assets of Rs. 1645.08 millions (after adjusting the pre-existing lease liabilities in respect of leases where the company is a lessee) as at the transition date.
The loss for the year ended March 31, 2023 was impacted due to an increase in depreciation cost of Rs. 38.73 million and increase in interest cost on lease liability of Rs. 170.60 millions offset by reversal in lease rentals of Rs. 130.21 millions. The impact as ot March 31, 2023 of lease liability of Rs 1578.56 millions and right-of-use assets of Rs 1606.35 millions.

7: Recognition of investment Property
Under the previous GAAP, investment properties were presented as a part of property, plant and equipment. Under Ind AS, investment properties are required to be separately presented on the face of the Balance sheet. There is no impact on the total equity or loss as a result of this adjustment.

8: Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under IGAAP.

9: Deferred tax on adjustments
Under previous GAAP, deferred tax accounting was done using the income statement approach, which focused on differences between taxable profits and accounting profits for the period whereas in Ind AS 12 balance sheet approach required to be followed, which focuses on temporary differences between carrying amount of an asset or liability in the balance sheet and its tax base. This resulted in recognition of deferred tax on new temporary differences which was not required in previous GAAP.

However, the Company has recognised deferred tax assets for deductible temporary differences to the extent that there are sufficient suitable deferred tax liabilities available resulting into non recognition of deferred tax impact on Ind AS transition.

10: Amortisation of Goodwill
Goodwill is recognised at net carrying amount as per the previous GAAP as on the transition date. Under previous GAAP, the goodwill was amortised over the period whereas under Ind AS the goodwill is not amortised but tested for impairment. Accordingly, the amortisation of goodwill for the year ended March 31, 2023 was reversed to arrive at the net carrying amount as on transition date resulting into decrease in loss for the year by Rs. 279.96 millions with corresponding impact on retained earnings.

11: Revenue from operations
The Company has recorded income on the basis of satisfaction of performance obligation, accordingly the unsatisfied performance obligation related to membership revenue is recognised as deferred revenue with corresponding decrease of retained earnings by Rs. 11.39 millions as on the transition date. The impact of this for the year ended March 31, 2023 was Rs. 3.40 millions resulted in increase in loss for the year.

12: Expected credit loss
As on the transition date, the Company has applied expected credit loss on trade receivables using the simplified approach as suggested under Ind AS 109. As a result of this, the retained earnings were reduced by Rs. 10.50 millions with the corresponding decrease in the amount of trade receivables. During the year ended March 31, 2023, the impact of expected credit loss resulted in reversal provision by reducing the loss by Rs. 1.92 millions.

13: Retained earnings
Retained earnings as at April 1, 2022 has been adjusted consequent to the above Ind AS transition adjustments.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East) Mumbai - 400 063

SCHLOSS BANGALORE PRIVATE LIMITED

42 Ratio Analysis and its elements

Ratio Analysis	Numerator	Denominator	31st March 2024	31st March 2023	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	0.41	0.48	-14%	
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	(67.29)	(75.38)	11%	
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	0.91	1.11	-17%	
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	0.56	2.94	-81%	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	2.89	3.33	-13%	
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	29.69	26.59	12%	
Trade Payables Turnover Ratio	Net Purchases	Average Trade Payables	1.33	1.99	33%	Decrease is mainly due to increase in average trade payables during the year. The average trade payables in the previous year was low because of significantly lower opening trade payables.
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	(2.79)	(3.60)	22%	
Net Profit Ratio	Net Profit after tax	Net Sales	(0.04)	(0.09)	56%	Increase in Net profit ratio is primarily on account of higher average room rate and average per cover resulting in increased margins.
Return on Capital employed	EBIT	Capital Employed	0.05	0.04	16%	
Return on Investment	Interest (Finance Income)	Investment	-	-	-	Not applicable

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SCHLOSS BANGALORE PRIVATE LIMITED

43 **Other Statutory Information**

(i) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) The Company does not have any transactions with companies struck off u/s 248 of the Companies Act, 2013 or u/s 560 of Companies Act, 2013.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Register Of Companies (ROC) beyond the statutory period

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vi) The Company has 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:
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) 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.)

(viii) The Company has investment property as disclosed in fair value and accordingly its fair valuation is at year end is disclosed in note 4

(ix) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year

(x) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment.

(xi) The Company has not defaulted on loan from any bank or financial institution or other lender.

(xii) Compliance with approved Scheme(s) on the basis of security of current assets - Not Applicable.

(xiii) The Company is not declared wilful defaulter by any bank or financial institution as defined under companies act, 2013 or consortium thereof or other lender in accordance with the guidelines on the wilful defaulters issued by the RBI

(xiv) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.

(xv) The Company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date

(xvi) Compliance with approved scheme of arrangements.

44 **Subsequent events to be updated based on the details of SPA**
Schloss Bangalore Private Limited has entered into a share purchase agreement dated May 31, 2024 for purchase of 100% (one hundred percent) of the issued and paid up equity share capital of Schloss Chanakya Private Limited, Schloss Chennai Private Limited, Schloss HMA Private Limited, Schloss Tadoba Private Limited, Schloss Gandhinagar Private Limited and Leela Palaces and Resorts Limited from it's shareholder's on such terms and conditions as prescribed therein.

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

Tarun Kinger
Partner
Membership Number : 105003
UDIN:

Place: Mumbai
Date : 18th June, 2024

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

Anuradha Bhatnagar
Director
DIN: 07957235

Place: Mumbai
Date : 18th June, 2024

Anand.S

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date : 18th June, 2024

Anand Upadhyay
Company Secretary
Membership Number: A23622

Place: Mumbai
Date : 18th June, 2024

B S R & Co. LLP Chartered Accountants

SCHLOSS BANGALORE PRIVATE LIMITED

SCHLOSS BANGALORE LIMITED

(formerly known as 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: U55209DL2019PLC347492

NOTICE CONVENING 5TH ANNUAL GENERAL MEETING

To

All Shareholders;
Statutory Auditors; and
Board of Directors

Notice is hereby given that 5th (Fifth) Annual General Meeting **("AGM")** of **SCHLOSS BANGALORE LIMITED ("The Company")** will be held at shorter notice on Thursday, 12th September 2024 at 11:00 AM at Tower-4, Third Floor, Equinox Business Park, Kurla, Mumbai-400070, India to transact the following business:

ORDINARY BUSINESS:

1. **ADOPTION OF AUDITED FINANCIAL STATEMENTS;**

   To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 March 2024 together with the Report of the Board of Directors and Auditors thereon.

2. **APPOINTMENT OF DIRECTOR IN PLACE OF THOSE RETIRING:**

   To appoint a Director in place of Mr. Ravi Shankar, Director [having Director Identification Number (DIN): 07967039], who retires by rotation and being eligible, offers himself for re-appointment, as a "Director" of the Company:

   The Members are requested to consider, and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ravi Shankar [having Director Identification Number (DIN): 07967039] who retires by rotation and being eligible, offers himself for re appointment, be and is hereby re-appointed as a "Director" of the Company."

3. **TO INCREASE THE AUTHORISED CAPITAL OF THE COMPANY**

   To consider and, if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 13, 61(1)(a), 64 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modifications or reenactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to increase the authorized share capital of the Company from existing authorized share capital of the Company of INR 123,175,000,000 (Rupees Twelve Thousand Three Hundred Seventeen Crores and Fifty Lacs only) divided into 6,56,75,00,000 (Six Hundred Fifty-Six Crore and Seventy Fifty Lakhs) equity shares of INR 10/- (Rupees Ten only) each and 575,000,000 (Fifty-Seven Crores and Fifty lakhs) preference shares of INR 100/- (Rupees One Hundred Only) each to INR 133,175,000,000 /- (Rupees Thirteen Thousand Three Hundred and Seventeen Crores and Fifty Lacs only) divided into 6,56,75,00,000/- (Six Hundred Fifty Six Crore and Seventy Fifty Lakhs) equity shares of INR 10/- (Rupees Ten only) each and 675,000,000 (Sixty-Seven Crores and Fifty Lakhs) preference shares of INR 100/- (Rupees One Hundred Only) each.

   RESOLVED FURTHER THAT approval of the members be and is hereby also accorded to alter the existing Clause V of the Memorandum of Association of the Company with the following:

   V. The Authorized Share Capital of the Company INR 133,175,000,000 /- (Rupees Thirteen Thousand Three Hundred and Seventeen Crores and Fifty Lacs only) divided into 6,56,75,00,000/-

(Six Hundred Fifty-Six Crore and Seventy Fifty Lakhs) equity shares of INR 10/- (Rupees Ten only) each and 675,000,000 (Sixty-Seven Crores and Fifty Lakhs) preference shares of INR 100/- (Rupees One Hundred Only) each.

RESOLVED FURTHER THAT all the Directors of the Company be and are hereby authorized to do all acts, deeds and things as are necessary or expedient in this regard including signing and filing of necessary forms and documents with the Registrar of Companies."

By order of the Board
For **SCHLOSS BANGALORE LIMITED**

RAVI SHANKAR
Digitally signed by RAVI SHANKAR
Date: 2024.09.11 14:26:34 +05'30'

Ravi Shankar
Director
DIN:07967039

Place: Mumbai
Date: 11th September 2024

NOTES:

1. 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.

2. Members are requested to intimate to the Company's Registrar and Share Transfer Agents/their Depository Participants, if any:
   - current e-mail id, so that all notices and other statutory documents can be sent electronically, as a measure of 'green initiative'; and
   - nomination facility to be availed, if any.

3. Members are requested to:
   - bring attendance slips and the Notice of the AGM; and
   - bring their Folio Number/DP and Client ID and quote it in all correspondence, if any.

4. Relevant documents referred to in the accompanying notice and the requisite statutory registers shall be made available electronically, via email, on request by the members on cs@theleela.com from the date of the notice till the conclusion of the meeting.

5. The notice is being sent to all the members, whose names appeared in the register of members of the Company as on 29 August 2024.

6. In accordance with the aforesaid MCA Circulars, the Notice of the AGM along with the Annual Accounts for the financial year 2023-24 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. The Company shall send the physical copy of Annual Accounts for the financial year 2023-24 to those Members who request the same at cs@theleela.com mentioning their Folio No./DP ID and Client ID.

7. 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

8. The route map to the venue is enclosed herewith

By order of the Board
For **SCHLOSS BANGALORE LIMITED**

RAVI SHANKAR
Digitally signed by RAVI SHANKAR
Date: 2024.09.11 14:46:57 +05'30'

Ravi Shankar
Director
DIN:07967039

Place: Mumbai
Date: 11th September 2024

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 1

The members are hereby informed that the present authorized share capital of the Company is INR 123,175,000,000 (Rupees Twelve Thousand Three Hundred and Seventeen Crores and Fifty Lacs only) divided into 6,56,75,00,000 (Six Hundred Fifty-Six Crore and Seventy Fifty Lakhs) equity shares of INR 10/- (Rupees Ten only) each and 575,000,000 (Fifty-Seven Crores and Fifty lakhs) preference shares of INR 100/- (Rupees One Hundred Only) each. The present issued, subscribed and paid-up share capital of the Company is INR 52,04,05,57,000/- (Rupees Five Thousand Two Hundred and Four Crores Five Lakhs Fifty-Seven Thousand Only) divided into 175,985,320 (Seventeen Crores Fifty Nine lakhs Eight Five Thousand Three Hundred and Twenty only) equity shares of INR 10/- (Rupees Ten only) each and 502,807,038 (Fifty Crores Twenty Eight Lakhs Seven Thousand and Thirty Eight only) preference shares of INR 100/- (Rupees One Hundred Only) each.

In order to inter-alia achieve the future growth plans, to pursue the existing endeavors of the Company, to meet funds required for the general corporate purpose and future acquisitions, it is proposed to increase the existing authorized share capital of the Company from INR 123,175,000,000 (Rupees Twelve Thousand Three Hundred and Seventeen Crores and Fifty Lacs only) divided into 6,56,75,00,000 (Six Hundred Fifty-Six Crore and Seventy Fifty Lakhs) equity shares of INR 10/- (Rupees Ten only) each and 575,000,000 (Fifty-Seven Crores and Fifty lakhs) preference shares of INR 100/- (Rupees One Hundred Only) each to INR 133,175,000,000/- (Rupees Thirteen Thousand Three Hundred and Seventeen Crores and Fifty Lacs only) divided into 6,56,75,00,000/- (Six Hundred Fifty Six Crore and Seventy Fifty Lakhs) equity shares of INR 10/- (Rupees Ten only) each and 675,000,000 (Sixty-Seven Crores and Fifty Lakhs) preference shares of INR 100/- (Rupees One Hundred Only) each. To give effect to the increase in authorized share capital of the Company, the capital clause i.e. Clause V of the Memorandum of Association of the Company is also required to be altered in the manner outlined in the proposed resolution.

In terms of the provisions of Section 61 of the Companies Act, 2013 read with relevant provisions of the Articles of Association of the Company, the above-mentioned increase in the existing authorized share capital of the Company requires approval of the members of the Company by way of an ordinary resolution. Hence, consent of the members is being sought by way of an ordinary resolution in terms of Section 61 of the Companies Act, 2013.

The amended copy of Memorandum of Association is available for inspection at the registered office of the Company during business hours from the date of this notice up to the date of the meeting and also at the meeting.

The above proposal is in the interest of the Company and the Board recommends the Special Resolution as set forth in Item No. 1 of the Notice for approval by the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution.

By Order of the Board
For Schloss Bangalore Limited

RAVI SHANKAR
Digitally signed by RAVI SHANKAR
Date: 2024.09.11 14:47:15 +05'30'

Name: Ravi Shankar
Designation: Director
DIN: 07967039
Place: Mumbai
Date: 11th September-24

SCHLOSS BANGALORE LIMITED

(formerly known as 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: U55209DL2019PLC347492

ATTENDANCE SLIP FOR 5TH ANNUAL GENERAL MEETING

SCHLOSS BANGALORE LIMITED
CIN: U55209DL2019PLC347492

Registered Office: The Leela Palace, Diplomatic Enclave, Africa Avenue, Netaji Nagar, South Delhi, New Delhi, Delhi, India, 110023
Venue of Annual General Meeting: Tower-4, Third Floor, Equinox Business Park, Kurla, Mumbai-400070 at 11:00 AM (IST)
Annual General Meeting: 12th September 2024

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	U55209DL2019PLC347492
Name of the Company	SCHLOSS BANGALORE LIMITED
Registered Office	The Leela Palace, Diplomatic Enclave, Africa Avenue, Netaji Nagar, South Delhi, New Delhi, Delhi-110023
Venue of Annual General Meeting	Tower-4, Third Floor, Equinox Business Park, Kurla, Mumbai-400070

I/ We, being the member (s) of **Schloss Bangalore 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 Thursday, 12th September 2024 at 11:00 AM at Tower-4, Third Floor, 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
Ordinary Business				
1	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 March 2024 together with the Reports of the Board of Directors and the Auditors thereon.			
2	To appoint a Director in place of Mr. Ravi Shankar, Director [having Director Identification Number (DIN): 07967039], who retires by rotation and being eligible, offers himself for re-appointment, as a "Director" of the Company:			
3	To consider and approve the increase in the Authorized share capital and alteration in Memorandum of Association.			

Signed this ________________day of ____________2024

Signature of Shareholder(s)_______________________________

Signature of Proxy holder(s)_______________________________

Affix Revenue Stamp

Signed this ________________day of ____________2024

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 he/she may deem appropriate.

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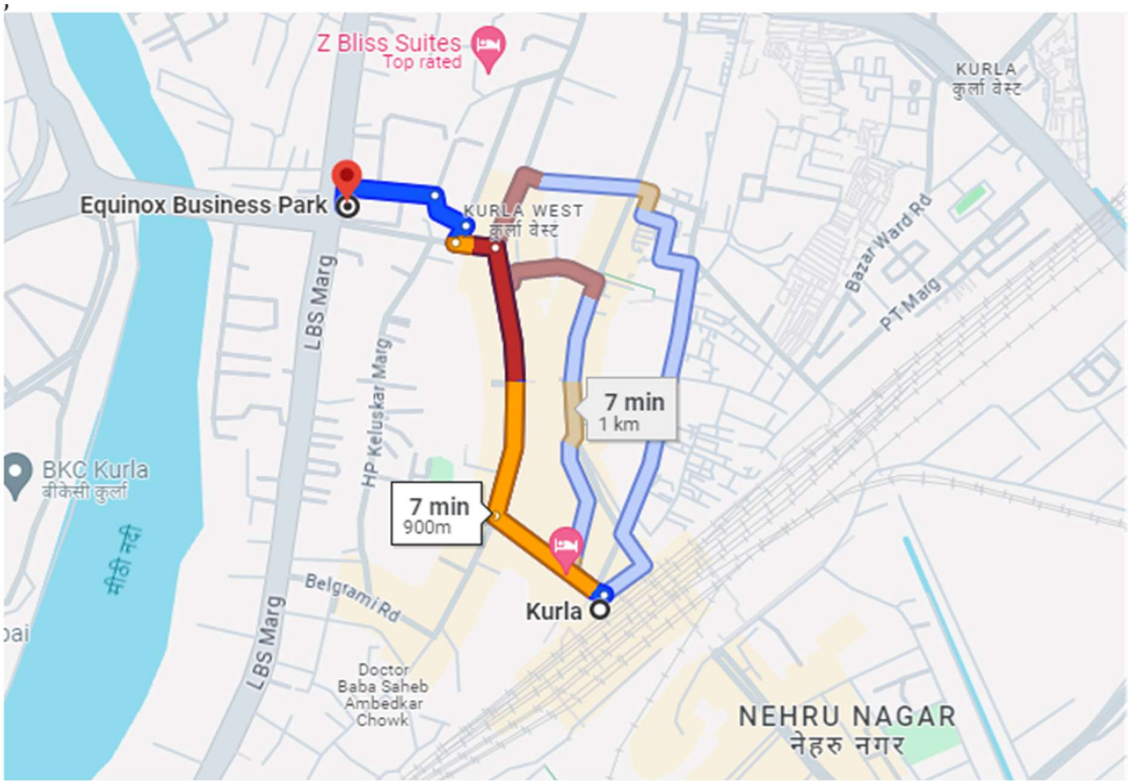
Route Map

For the Venue of 12th Annual General Meeting

Venue for the Meeting:

Tower-4, Third Floor, Equinox Business Park, Kurla, Mumbai-400070, Maharashtra, India

,



CORPORATE INFORMATION

BOARD OF DIRECTORS

1	Anuraag Bhatnagar	Director
2	Ravi Shankar	Director
3	Madhav Sehgal	Whole-time Director
4	Ananya Tripathi	Director

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Anand B Upadhyay (Company Secretary)

REGISTERED OFFICE

The Leela Palace, Diplomatic Enclave,
Africa Avenue, Netaji Nagar, South Delhi,
New Delhi-110023 Delhi

REGISTRAR AND SHARE TRANSFER AGENT

NSDL Database Management Limited

4th Floor, One International Center,
Tower 3, Senapati Bapat Marg, Prabhadevi,
Mumbai, Maharashtra-400013 India

Email: sachin.shinde@nsdl.com

STATUTORY AUDITORS	SECRETARIAL AUDITORS
B S R & Co. LLP, Chartered Accountants 14th Floor, Central B Wing and North C Wing Nesco IT Park 4, Nesco Centre Western Express Hignway Express Highway, Goregaon (East), Mumbai-400 063, India Telephone: +91 (22) 6257 1000	Kaushal Doshi & Associates, Company Secretaries A/39, Ashok Samrat, Daftary Road, Malad (E), Mumbai – 400 097 Mobile No.: +91-9892 368 648/8879061581 Email: doshikaushal20@gmail.com

SCHLOSS BANGALORE LIMITED

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DIRECTORS' REPORT

To
The Members,
Schloss Bangalore Limited

On behalf of the Board of Directors, it is our pleasure to present the 5th (Fifth) Annual Report of Schloss Bangalore Limited together with the Audited Statements of Accounts for the financial year ended 31 March, 2024.

1. Highlights of Financial Performance

The Company's financial performance during the Financial Year 2023-24 is summarized below.

(INR in millions)

Particulars	Financial Year 2023-24	Financial Year 2022-23
Total Income	3,518.95	3,093.40
Total Expense	3,647.46	3,345.92
Profit/(Loss) before Tax	**(128.51)**	**(252.52)**
Provision for Tax	-	-
Profit/(Loss) after Tax	**(128.51)**	**(252.52)**
Other Comprehensive Income	(5.62)	2.20
Profit/(Loss) carried to Balance Sheet	**(134.13)**	**(250.32)**

2. Summary of operation during the Current year ended on 31st March 2024

During the financial year under review, the Company has earned revenue of INR 3,518.95 Mil as compared to the previous year INR 3093.40 Mil and had a net loss after tax of INR 128.51 Mil as compared to net loss after tax of the previous year of INR 252.52 Mil. This represents a significant improvement, with the net loss decreasing by approximately 49.10%. The substantial progress made this year reflects the Company's strategic advancements and operational efficiencies. Our directors remain optimistic about the Company's trajectory and are confident in its potential for profitability in the years to come.

Additionally, during the period under review, the Company has prepared and adopted its financial statements for the year ended 31 March 2024 in accordance with the Indian Accounting Standards ('Ind AS') pursuant to Section 133 of The Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, The Companies {Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of The Companies Act, 2013.

3. Dividend

No dividend was declared/paid during the financial year ended March 31, 2024.

4. Transfer to Reserves

During the financial year ended March 31, 2024, the company has not transferred any amount to General Reserves.

5. Change in nature of business

There is no change in business of the Company during the financial year under review.

6. Credit Rating

CRISIL Ratings had rated the total bank loan facilities of the Company as **CRISIL A-/Stable** as per its report issued on 17 October 2023.

7. Share Capital

Authorized Share Capital

The authorized share capital of your company as on 31 March 2024 stood at INR 67,50,00,000/- (Indian Rupees Sixty-Seven Crore and Fifty Lakhs) divided into 6,75,00,000 (Six Crore and Seventy-Five Lakhs) equity shares of face value of INR 10/- (Indian Rupees Ten) each.

As on date of this report your Company's share capital position is as follows:

Category of Share Capital	Authorized Share Capital			Issued, Subscribed & Paid-up Share Capital		
	No. of Shares	Face Value Per Shares (INR)	Total Amount (INR)	No. of Shares	Face Value Per Shares (INR)	Total Amount (INR)
Equity	6,56,75,00,000	10	65,67,50,00,000	17,59,85,320	10	1,75,98,53,200
Preference	57,50,00,000	100	57,50,00,00,000	50,28,07,038	100	50,28,07,03,800

Issued, Subscribed and Paid-up Share Capital

The issued, subscribed and paid-up share capital of your company as on 31 March 2024 stood at INR 20,16,95,660/- (Indian Rupees Twenty Crore Sixteen Lakhs Ninety-Five Thousand Six Hundred and Sixty) divided into 2,01,69,566 (Two Crore One Lakh Sixty Nine Thousand Five Hundred and Sixty Six) equity shares of face value of INR 10/- (Indian Rupees Ten) each.

Company has issued following classes of shares between 31 March 2024 and the date of this Report:

(a) Pursuant to board resolution dated 02 July 2024 company converted 1,50,27,498 (One Crore Fifty Lakhs Twenty-Seven Thousand Four Hundred and Ninety-Eight) Unsecured Compulsorily Convertible Debentures ('CCDs') of face value of INR 100/- (Indian Rupees One Hundred Only) into 1,50,27,498 (One Crore Fifty Lakhs Twenty-Seven Thousand Four Hundred and Ninety-Eight) Equity Shares of face value of INR 10/- (Indian Rupees Ten Only) in the ratio of 1:1.

(b) Pursuant to the approval of the shareholders, the Board allotted 14,07,88,256 (Fourteen Crore Seven Lakhs Eighty Eight Thousand Two Hundred and Fifty Six) equity shares of face value of INR 10 (Indian Rupees Ten) each as bonus shares on July 11, 2024 to the existing equity shareholders in the ratio of 4 (four) equity shares for every 1 (one) equity share held as on the record date i.e. July 10, 2024;

(c) Pursuant to the approval of the shareholders, the Board allotted 12,88,43,758 (Twelve Crore Eighty-Eight Lakhs Forty-Three Thousand Seven Hundred and Fifty-Eight) Compulsorily Convertible Preference Shares ('CCPS') of face value of INR 100 (Indian Rupees One Hundred) each on July 23, 2024.

(d) Pursuant to the approval of the shareholders, the Board allotted 37,39,63,280 (Thirty-Seven Crore Thirty-Nine Lakhs Sixty-Three Thousand Two Hundred Eighty) Compulsorily Convertible Preference Shares ('CCPS') of face value of INR 100 (Indian Rupees One Hundred) each on July 24, 2024.

Debentures

As on 31 March 2024 your company had 1,50,27,498 (One Crore Fifty Lakhs Twenty-Seven Thousand Four Hundred and Ninety-Eight) Unsecured Compulsorily Convertible Debentures ('CCDs') of face value of INR 100/- (Indian Rupees One Hundred Only) issued to its holding company Project Ballet Bangalore Holdings (DIFC) Pvt Ltd.

Pursuant to the approval of shareholders at the Annual General Meeting held on September 29, 2023, the terms of abovementioned CCDs were amended to modify the coupon rate and payment terms of CCDs. Furthermore, the Board of Directors in their meeting held on 2 July 2024 and pursuant to the terms of issuance, these abovementioned CCDs has been converted into equity shares of the Company. Therefore, as on date of this report, there is no CCD outstanding in the books of the Company.

8. Deposits

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 [i.e., deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014)], during the Financial Year 2023-24.

Thus, the details of deposits required as per the provisions of the Companies (Accounts) Rules, 2013 are as follows:

(a)	Accepted during the Financial Year 2023-24	:	Nil
(b)	Remained unpaid or unclaimed during the Financial Year 2023-24	:	Nil
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the Financial Year 2023-24 and if so, number of such cases and total amount involved-	:	Nil
	(i) At the beginning of the year	:	Nil
	(ii) Maximum during the year	:	Nil
	(iii) At the end of the year	:	Nil
(d)	Details of Deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013	:	Nil

9. Holding Company:

Your Company continues to be a Subsidiary of Project Ballet Bangalore Holdings (DIFC) Private Limited ('Project Ballet'), as defined under Section 2(87) of the Companies Act, 2013. As on 31 March 2024, the shareholding of Project Ballet in your Company was 2,01,69,566 (Two Crore One Lakh Sixty-Nine Thousand Five Hundred and Sixty-Six Only) Equity Shares of face valuer of INR 10/- (Indian Rupees Ten Only) each along with one more shareholder i.e., BSREP III India Ballet Holdings (DIFC) Limited.

10. Subsidiary, joint venture or associate company

During the Financial Year 2023-24, no company has newly become subsidiary/joint venture/associate of your Company.

However, as on the date of this report, your company had the following subsidiaries [as defined under Section 2(87) of the Companies Act, 2013] during the Financial Year 2023 24:

1. Schloss HMA Private Limited.
2. Schloss Gandhinagar Private Limited.
3. Schloss Tadoba Private Limited.
4. Schloss Chanakya Private Limited.

5. Schloss Chennai Private Limited.
6. Leela Palaces & Resorts Limited.
7. Transition Cleantech Services Five Private Limited
8. Transition Cleantech Services Five Private Limited

Following company have become step down subsidiaries of the company:

1. Schloss Udaipur Private Limited.
2. Tulsi Palace Resort Private Limited.
3. Moonburg Power Private Limited

11. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report

Following material changes and commitments affecting the financial position of the Company occurred between end of the financial year to which these financial statements relate i.e. March 31, 2024 and the date of this Report:

Acquisition by the Company:

(i) Acquisition of Schloss Chennai Private Limited:

Our Company, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 24, 2024, entered into with Project Ballet Chennai Holdings (DIFC) Pvt Ltd and BSREP III India Ballet Holdings (DIFC) Limited (the **"Sellers"**) and Schloss Chennai Private Limited **("Schloss Chennai")** purchased 100% of the equity share capital of Schloss Chennai from the Sellers for a consideration of ₹ 10,110.87 million with effect from July 25, 2024.

(ii) Acquisition of Schloss Gandhinagar Private Limited:

Our Company, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 24, 2024, entered into with Project Ballet Gandhinagar Holdings (DIFC) Pvt Ltd, BSREP III India Ballet Holdings (DIFC) Limited (the **"Sellers"**) and Schloss Gandhinagar Private Limited **("Schloss Gandhinagar")** purchased 100% of the equity share capital of Schloss Gandhinagar from the Sellers for a consideration of ₹ 18.52 million with effect from July 25, 2024.

(iii) Acquisition of Schloss HMA Private Limited

Our Company, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 24, 2024, entered into with Project Ballet HMA Holdings (DIFC) Pvt Ltd, BSREP III India Ballet Holdings (DIFC) Limited (the **"Sellers"**) and Schloss HMA Private Limited **("Schloss HMA")** purchased 100% of the equity share capital of Schloss HMA from the Sellers for a consideration of ₹ 12,153.33 million with effect from July 26, 2024.

(iv) Acquisition of Leela Palaces and Resorts Limited

Our Company, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 24, 2024, entered into with BSREP III India Ballet Holdings (DIFC) Limited, Project Ballet Chanakya Holdings (DIFC) Pvt Ltd, Project Ballet Udaipur Holdings (DIFC) Pvt Ltd, Project Ballet Bangalore Holdings (DIFC) Pvt Ltd, Project Ballet Chennai Holdings (DIFC) Pvt Ltd, Project Ballet HMA Holdings (DIFC) Pvt Ltd, and Project Ballet Gandhinagar Holdings (DIFC) Pvt Ltd (the **"Sellers"**) and Leela Palaces and Resorts Limited (**"LPRL"**) purchased 100% of the equity share capital of LPRL from the Sellers for a consideration of ₹ 1,742.81 million with effect from July 26, 2024.

(v) Acquisition of Schloss Tadoba Private Limited

Our Company, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 24, 2024, entered into with BSREP III Tadoba Holdings (DIFC) Pvt Ltd, BSREP III India Ballet Holdings (DIFC) Limited (the **"Sellers"**) and Schloss Tadoba Private Limited (**"Schloss Tadoba"**) purchased 100% of the equity share capital of Schloss Tadoba from the Sellers for a consideration of ₹ 0.01 million with effect from July 30, 2024.

(vi) Acquisition of Transition Cleantech Services Four Private Limited

Our Company, pursuant to a share purchase agreement dated August 2, 2024, entered into with Mrs. Neerja Ashok Shah, Mr. Ashok Dipchand Shah (the "**Sellers**") and Transition Cleantech Services Four Private Limited ("**TCS Four**"), purchased 100% of the share capital of TCS Four for a consideration of ₹ 0.01 million with effect from August 2, 2024.

(vii) Acquisition of Transition Cleantech Services Five Private Limited

Our Company, pursuant to a share purchase agreement dated August 2, 2024, entered into with Mrs. Neerja Ashok Shah, Mr. Ashok Dipchand Shah (the "**Sellers**") and Transition Cleantech Services Five Private Limited ("**TCS Five**"), purchased 100% of the share capital of TCS Five for a consideration of ₹ 0.01 million with effect from August 2, 2024.

(viii) Acquisition of Schloss Chanakya Private Limited

Our Company, pursuant to a share purchase agreement dated May 31, 2024, entered into with BSREP III India Ballet I Pte. Ltd BSREP III India Ballet Pte. Ltd (the **"Sellers"**) and Schloss Chanakya, read with the amendment letter dated July 24, 2024 entered into with the Sellers, Schloss Chanakya, Project Ballet Udaipur Holdings (DIFC) Pvt Ltd and BSREP III Joy Two Holdings (DIFC) Limited purchased 100% of the equity share capital of Schloss Chanakya from the Sellers for a consideration of ₹ 11,450.92 million with effect from July 25, 2024.

(ix) Acquisition of Moonburg Power Private Limited

Schloss Chanakya, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 17, 2024, entered into with BSREP III Joy (Two) Holdings (DIFC) Limited, Project Ballet HMA Holdings (DIFC) Pvt Ltd (the **"Sellers"**) and Moonburg Power Private Limited **("MPPL")** purchased 100% of the equity share capital of MPPL and 5,000,000 compulsorily convertible debentures from the Sellers for a consideration of ₹ 500.14 million with effect from July 20, 2024.

(x) Acquisition of Tulsi Palace Resort Private Limited

Schloss Chanakya, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 17, 2024, entered into with BSREP III Joy (Two) Holdings (DIFC) Limited ("**Seller**") and Tulsi Palace Resort Private Limited **("TPRPL")** purchased 50% of the equity share capital of TPRPL from the Seller for a consideration of ₹ 6,483.04 million. The acquisition of 30% of the equity share capital was effective from July 18, 2024, while the remaining 20% was effective on July 20, 2024.

(xi) Acquisition of Schloss Udaipur Private Limited

Schloss Chanakya, pursuant to a share purchase agreement dated May 31, 2024, read with the amendment letter dated July 17, 2024, entered into with Project Ballet Udaipur Holdings (DIFC) Pvt Ltd, BSREP III India Ballet Holdings (DIFC) Limited (the **"Sellers"**) and Schloss Udaipur Private

Limited **("Schloss Udaipur")** purchased 100% of the equity share capital of Schloss Udaipur from the Sellers for a consideration of ₹ 4,139.86 million with effect from July 19, 2024.

4. Scheme of Amalgamation/Arrangement:

During the Financial Year 2023-24, your Company has not proposed or considered or approved any Scheme of Merger/Amalgamation/Takeover/Demerger or Arrangement with its Members and/or Creditors.

5. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, during the financial year along with their status as at the end of the financial year:

During the Financial Year 2023-24, there was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016.

As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

6. Conversion of Company into a public company

With an intent to raise funds by issuance of shares and to increase the shareholders base of the Company, the shareholders at the extraordinary general meeting held on May 30, 2024 granted approval for conversion of the Company from a 'private company' to a 'public company' and consequent alteration in Memorandum and Articles of Association of the Company. Pursuant to the application made by the Company, the Registrar of Companies granted its approval on July 3, 2024 for conversion of Company into a public company. Accordingly, the word 'Private' was deleted from the name of the Company and name of the Company changed to 'Schloss Bangalore Limited' with effect from July 3, 2024.

7. Directors:

The Board of Directors of your Company comprised of the following Directors, as on 31 March 2024:

Sr. No.	Name of the Director	Designation	DIN
1.	Mr. Ravi Shankar	Director	07967039
2.	Mr. Anuraag Bhatnagar	Director	07967035
3.	Mr. Madhav Sehgal	Whole-time Director	09611058

The following changes have taken place in the Directors of your Company during the Financial Year 2023-24 and till the date of this Report:

Name of Director	Date & Particular of Changes
Mr. Madhav Sehgal	Mr. Madhav Sehgal designation has been changed from Director to Whole-time Director w.e.f. 22 November 2023.
Mr. Ravi Shankar	Mr. Ravi Shankar, Director of the Company, is liable to retire by rotation at the ensuing 5th (Fifth) Annual General Meeting (AGM) of the Company, in accordance with the provisions of the Section 152 of Companies Act, 2013 and being eligible, offer themselves for re-appointment.
Ms. Ananya Tripathi	Ms. Ananya Tripathi was appointed as Additional Director (Women Director) by the board with effect from 29 May 2024 and thereafter she was regularized by the members in their meeting held on 30 May 2024 as Director of the Company

Mr. Anand B. Upadhyay was appointed as company secretary with effect from June 16, 2023 and is continuing to hold the office of company secretary.

8. Meetings of Board of Directors

The Board met 10 times during the financial year ended 31st March 2024 on 03 April 2023, 16 June 2023, 28 July 2023, 25 August 2023, 28 September 2023, 02 November 2023, 22 November 2023, 12 December 2023, 14 February 2024, and 18 March 2024.

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	Madhav Sehgal
1	03-Apr-23	Y	Y	LOA
2	16-Jun-23	Y	Y	LOA
3	28-Jul-23	Y	Y	LOA
4	25-Aug-23	Y	Y	LOA
5	28-Sep-23	Y	Y	Y
6	02-Nov-23	Y	Y	LOA
7	22-Nov-23	Y	Y	LOA
8	12-Dec-23	Y	Y	LOA
9	12-Feb-24	Y	Y	LOA
10	18-Mar-24	Y	Y	LOA

The maximum gap between any two consecutive Board Meetings did not exceed 120 (One Hundred Twenty) days.

9. Statutory Auditors

M/s BSR & Co. LLP, Chartered Accountants have been appointed for five years at the first annual general meeting and thus, are holding office of the statutory auditors of the Company from the conclusion of first annual general meeting until the conclusion of the sixth annual general meeting of the Company to be held in the year 2025.

Statutory Auditors' Report

The observations of the Statutory Auditor in its report on the financial statements are self-explanatory and therefore do not call for any further comments.

10. Secretarial Auditors and Secretarial Audit Report:

The Board of Directors of your Company, at its Meeting held on 12 August 2024, had appointed M/s. Kaushal Doshi & Associates, Practicing Company Secretaries (Membership No: F10609 and CP No. 13143), as the "Secretarial Auditors" of the Company, to conduct the Secretarial Audit for the Financial Year 2023-24, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report submitted by M/s. Kaushal Doshi & Associates, the Secretarial Auditors, for the Financial Year 2023-24 is annexed as "**Annexure – II**" to this Board's Report.

11. Internal Auditor

The Board of Directors of the Company has appointed M/s PricewaterhouseCoopers Services LLP as the Internal Auditor of the Company to conduct the internal audit for the financial year 2023-24 and the scope functioning, periodicity and methodology for conducting internal audit was approved by the Board of Directors.

12. Responses to qualifications, reservations, adverse remarks & disclaimers made by the 7rs, the Secretarial Auditors and the Cost Auditors:

There are no qualifications, reservations, adverse remarks and disclaimers of the Statutory Auditors in their Auditors' Reports on the Financial Statements for the Financial Year 2023-24.

There are no qualifications, reservations, adverse remarks and disclaimers of the Secretarial Auditors in their Secretarial Audit Report for the Financial Year 2023-24.

13. Dematerialisation

All securities issued by the company are in demat form as on the date of the report.

14. Secretarial Standards

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2), as issued by the Institute of Company Secretaries of India (ICSI).

15. Investor Education and Protection Fund (IEPF)

Pursuant to Section 125 and other applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all the unpaid or unclaimed dividends are required to be transferred to the Investor Education and Protection Fund established by the Central Government ("IEPF Authority"), upon completion of 7 (Seven) years. Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for 7 (Seven) consecutive years or more are also required to be transferred to the demat account created by the IEPF Authority.

Your Company does not have any unpaid or unclaimed dividend or shares relating thereto which is required to be transferred to the IEPF Authority till the date of this Report.

16. Details in respect of adequacy of internal financial controls with reference to the financial statement:

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.

17. 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.

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

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees and investments by your Company under the aforesaid provisions during the Financial Year 2023-24, have been provided in the Notes to the Financial Statement.

19. Fraud Reporting

During the Financial Year 2023-24, there have been no instances of frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

20. Particular of contracts or arrangements with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013

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. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Section 134(3)(h) and 188 of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

Attention of the members is also drawn to the disclosure of Related Party Transactions set out in Note No. 40 of the financial statements, forming part of the Annual Report.

21. Directors' Responsibility Statement

Pursuant to the provisions under subs-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, the Directors of your Company, to the best of their knowledge and ability, confirm that:

i. in the preparation of the Annual Accounts for the Financial Year ended March 31, 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

ii. they have 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 (i.e., as on March 31, 2024) and of the profit and loss of the Company for that period (i.e., the Financial Year 2023-24);

iii. they have 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. they have prepared the Annual Accounts on a going concern basis;

v. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. 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	The Company has taken adequate steps, wherever possible, to conserve the energy during the year under report.
The steps taken by the company for utilizing 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	NIL

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 (in INR Millions)

Earnings	-
Outgo	-

23. 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.

24. Disclosure relating to difference between amount of the valuation done at the time of one-time settlement and valuation done while taking loan from bank or financial institutions along with the reasons thereof:

During the year under review, no such one-time settlement was done in respect of any loan taken by the Company from Banks / Financial Institutions, if any.

25. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

26. Annual Return

Provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is not applicable on the Company as company does not have website.

27. 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.

28. Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, a company is required to spend in every financial year, at least two percent of the average net profits of the company made during the three 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.

29. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and the Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. The Company has constituted Internal Complaints Committee to redress and resolve any complaints arising under the POSH Act. Training / awareness program are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

30. Other Disclosures

The Company hasn't made any application nor any proceeding that has been pending in respect of the Company under Insolvency and Bankruptcy Code, 2016.

The Company hasn't entered any sort of OTS (One- Time Settlement) with banks, financial institutions in respect of any type of secured loans, unsecured loans, Lease or any other type of credit facilities in respect of its indebtedness, furthermore there weren't any significant differences in respect of valuation while obtaining loan from banks, financial institutions during the financial year ended March 31, 2024.

31. Acknowledgement

The Board places on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, customers, vendors, members, during the year under review

For and on behalf of the Board of Directors

Name: Anuraag Bhatnagar	Name: Ravi Shankar
Designation: Director	Designation: Director
DIN: 07967035	DIN: 07967039

SCHLOSS BANGALORE LIMITED

Place: Mumbai
Date: 11th September 2024

Kaushal Doshi & Associates
Practicing Company Secretary
A/39, Ashok Samrat, Daftary Road, Malad (E), Mumbai – 400 097
Mobile No.: +91-9892 368 648/8879061581
Email : doshikaushal20@gmail.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2024
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SCHLOSS BANGALORE LIMITED
(Formerly known as Schloss Bangalore Private Limited)
CIN: U55209DL2019PLC347492
Address: The Leela Palace, Diplomatic Enclave, Africa Avenue,
Netaji Nagar, South Delhi, New Delhi, Delhi, India, 110023

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Schloss Bangalore Limited** (Formerly known as Schloss Bangalore Private Limited) (hereinafter called the "the company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Schloss Bangalore Limited** (Formerly known as Schloss Bangalore Private Limited) ("the Company") for the financial year ended on **31st March, 2024** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable during the financial year under review)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

(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 during audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable during audit period)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014; (Not applicable during audit period)

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding Companies Act dealing with the company; (Not applicable during audit period)

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during audit period) and

(i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015; (Not applicable during audit period).

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major heads/groups of Acts, laws and Regulations as applicable to the Company are listed below:

a. Income Tax Laws;
b. GST Laws;
c. Intellectual Property Laws;
d. Employees State Insurance Act, 1948;
e. Employees Provident Fund and Misc. Provisions Act, 1952;
f. Shops and Establishment Act, 1954;
g. Profession Tax Act, 1975;
h. Trade Unions Act, 1926;
i. Payment of Bonus Act, 1965;
j. All applicable Labour Laws and other incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, etc.;
k. Hotel Insurance Policies and Other applicable laws, regulations.

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

(i) Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement, 2015 entered into by the Company with BSE Limited. And National Stock Exchange of India Limited. (Not applicable during audit period).

To the best of our knowledge and belief, during the period under review, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period the review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and notes on agenda were also provided to Directors for meaningful participation at the meeting. Decisions at the meetings of Board of Directors of the Company were carried through on the basis of majority.

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

We further report that during the audit period the company has co-operated with us and provide us all the required forms information, clarifications, returns and other documents as required for the purpose of issuing this report.

For Kaushal Doshi & Associates
Practicing Company Secretary

KAUSHAL DHIRENDRA DOSHI
Digitally signed by KAUSHAL DHIRENDRA DOSHI
Date: 2024.09.11 12:56:22 +05'30'

Kaushal Doshi
Proprietor
FCS- 10609/ COP- 13143
PR Number: 802/2020
UDIN: F010609F001193111

Date: 11th September, 2024
Place: Mumbai

This report is to be read with our letter which is annexed as **Annexure I** and forms an integral Part of the Report.

Kaushal Doshi & Associates
Practicing Company Secretary
A/39, Ashok Samrat, Daftary Road, Malad (E), Mumbai – 400 097
Mobile No.: +91-9892 368 648/8879061581
Email : doshikaushal20@gmail.com

Annexure I
(Integral part of Secretarial Audit Report)

To,
The Members,
SCHLOSS BANGALORE LIMITED
(Formerly known as Schloss Bangalore Private Limited)
CIN: U55209DL2019PLC347492
Address: The Leela Palace, Diplomatic Enclave, Africa Avenue,
Netaji Nagar, South Delhi, New Delhi, Delhi, India, 110023

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For Kaushal Doshi& Associates
Practicing Company Secretary

KAUSHAL DHIRENDRA DOSHI
Digitally signed by KAUSHAL DHIRENDRA DOSHI
Date: 2024.09.11 12:56:45 +05'30'

Kaushal Doshi
Proprietor
FCS- 10609/ COP- 13143
PR Number: 802/2020
UDIN: F010609F001193111

Date: 11th September, 2024
Place: Mumbai

SCHLOSS BANGALORE LIMITED

(formerly known as 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: U55209DL2019PLC347492

ANNEXURE II
FORM AOC-2

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 certain arm's length transactions under third proviso thereto

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

Not Applicable, as there are no contracts or arrangements or transactions entered into with related party which are not at arm's length basis.

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

Name of the related party	Nature of relationship	Nature of transaction	Duration	Transaction value (INR In Lakhs)	Date(s) of approval by the Board	Amount paid in advance
Schloss HMA Private Limited	Fellow Subsidiary	Management Fees Expense	April 2023-March 2024	221.64	Since these RTPs are in the ordinary course of business and at arm's length basis, approval of Board is not applicable	NA
Schloss Chennai Private Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	(1.35)		NA
Schloss HMA Private Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	40.45		NA
Schloss Udaipur Private Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	(0.16)		NA
Schloss Chanakya Private Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	0.39		NA
Tulsi Palace and Resorts Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	(3.22)		NA
Arliga India Office Parks Private Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	(3.44)		NA
Arliga Ecoworld Infrastructure Private Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	0.12		NA
Cowrks India Private Limited	Fellow Subsidiary	Reimbursement of Expenses	April 2023-March 2024	0.14		NA
Summitt Digitel Infrastructure Private Limited	Fellow Subsidiary	Rendering and availing of Services-Other Income	April 2023-March 2024	0.61		NA
Brookprop Management Services Private limited	Fellow Subsidiary	Rendering and availing of Service	April 2023-March 2024	9.68		NA
Mr. Madhav Sehgal	Key Managerial Personal	Remuneration	April 2023-March 2024	15.14		NA

By order of the Board of Director
For and on behalf of the Board of Directors

Name: Anuraag Bhatnagar
Designation: Director
DIN: 07967035
Place: Mumbai
Date: 11th September 2024

Name: Ravi Shankar
Designation: Director
DIN: 07967039