B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditor's Report

To the Members of Schloss Chanakya Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Schloss Chanakya Private Limited (the "Company") which comprise the balance sheet as at 31 March 2025, 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 2025, 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 Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity 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 give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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:

(i) 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.

(ii) during the year new accounting software implemented for purchases, payables and inventory management which form part of the 'books of account and other relevant books and papers in electronic mode'. The back-up of aforementioned accounting software has not been maintained on the servers physically located in India.

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 3 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(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 2025 on its financial position in its financial statements - Refer Note 35 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 its knowledge and belief, as disclosed in the Note 40(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures 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 has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks except for the instances mentioned below, 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 respective softwares:

(i) In the absence of reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation for an accounting software used for maintaining purchases, payables and inventory management, which is operated by a third party software service provider, we are unable to comment whether audit trail feature for the said software was enabled at database level and operated throughout the year for all the relevant transactions recorded in the software.

(ii) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares decommissioned during the year used for maintaining purchases, payables and inventory management upto 30 May 2024.

Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with. Additionally, except for the accounting software where the audit trail was not enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The excess remuneration paid to a director is in accordance with the requisite approval as mandated by the provision of Section 197 of the Act read with schedule V to the Act . The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

JH·Sheth

Jaymin Sheth

Partner

Place: Mumbai

Membership No.: 114583

Date: 06 May 2025

ICAI UDIN:25114583BMKYGM5914

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2025

(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 in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. 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 material 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.

(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 (including Right of Use assets) 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.

(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 material 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 the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in two subsidiaries. The Company has granted unsecured loans to its parent company, a fellow subsidiary and advances in the nature of loan to employees during year in respect of which the requisite information is as below. The Company has not provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has not made investments, granted any loans or advances in the nature of loans to firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured loans to parent company, a fellow subsidiary and advances in the nature of loans to employees as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2025 *(Continued)*

Particulars	Loans (Rs in million)	Advances in nature of loans (Rs in million)
Aggregate amount during the year		
Parent Company	55.00	-
Fellow Subsidiary	40.00	-
Employees	-	0.62
Balance outstanding as at balance sheet date		
Parent Company	-	-
Fellow subsidiary	-	-
Employees	-	0.23

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are 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, in the case of loans given to parent company and a fellow subsidiary is repayable on demand. In case of advances in the nature of loan given to employees (as per policy of the Company is interest free), schedule of repayment is stipulated. The payment of principal and interest have been regular wherever applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given and advances in the nature of loans.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	Related Parties (Rs in million)
Aggregate of loans - Repayable on demand	95.00
Percentage of loans	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 ("the Act") with respect of loans provided by the Company. The Company

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2025 *(Continued)*

has not given any guarantees or securities during the year to parties covered under Section 185 of the Act. The provisions of Section 186 of the Act in respect of the loans given, guarantees given or securities provided are not applicable to the Company, since it is covered as a company engaged in business of providing infrastructural facilities. The Company has complied with the provisions of Section 186 of the Act with respect to the investments made.

(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 provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

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, Value Added Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 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, Value Added Tax, Duty of Customs 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)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Tax, interest and penalty	5.17	FY 2016-17 and FY 2017-18	Customs, Excise and Service Tax Appellate Tribunal	

(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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2025 *(Continued)*

(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 financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold investment in any associate or joint venture.

(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 of shares or fully or partly convertible debentures during the year. In our opinion, in respect of the private placementof preference shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of preference shares have been used for the purposes for which the funds were raised.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(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 wholly owned subsidiary of a deemed public 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 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

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2025 *(Continued)*

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

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation provided to us, there is no core investment company within the Group (as per the provision of Core Investment Company (Reserve Bank) Directors 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is 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 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

J.H.Sheth

Jaymin Sheth

Partner

Membership No.: 114583

ICAI UDIN:25114583BMKYGM5914

Place: Mumbai

Date: 06 May 2025

Annexure B to the Independent Auditor's Report on the financial statements of Schloss Chanakya Private Limited for the year ended 31 March 2025

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 Chanakya Private Limited ("the Company") as of 31 March 2025 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 2025, 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 Chanakya Private Limited for the year ended 31 March 2025 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

J.H.Sheth

Jaymin Sheth

Partner

Place: Mumbai

Membership No.: 114583

Date: 06 May 2025

ICAI UDIN:25114583BMKYGM5914

SCHLOSS CHANAKYA PRIVATE LIMITED
Balance Sheet as at 31 March 2025
(All amounts in Indian rupees in millions, unless stated otherwise)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	17,665.74	17,750.82
Capital work-in-progress	3(c)	85.91	19.40
Goodwill	3(d)	527.57	527.57
Other intangible assets	3(b)	2.51	3.23
Financial assets			
(i) Investments	5(c)	11,123.05	-
(ii) Others financial assets	5(a)	112.65	339.16
Deferred tax assets (net)	6	-	-
Other non-current assets	8(a)	314.36	288.88
Total non-current assets		**29,831.79**	**18,929.06**
Current assets			
Inventories	9	93.93	82.08
Financial assets			
(i) Trade receivables	10	240.36	94.43
(ii) Cash and cash equivalents	11	150.72	52.33
(iii) Bank balances other than cash and cash equivalents above	12	292.76	191.52
(iv) Loans	4	-	1,205.00
(v) Other financial assets	5(b)	23.09	107.75
Current tax assets (net)	7	61.41	49.56
Other current assets	8(b)	121.40	119.89
Total current assets		**983.67**	**1,902.56**
TOTAL ASSETS		**30,815.46**	**20,831.62**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,110.23	574.23
Other equity			
(i) Equity component of compound financial instruments	14(b)	9,969.96	1,160.25
(ii) Reserves and Surplus	14(a)	5,353.41	1,671.69
Total equity		**16,433.60**	**3,406.17**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15(a)	10,925.02	15,196.09
(ii) Other financial liabilities	16(a)	1.15	0.25
Provisions	17(a)	19.75	14.76
Total non- current liabilities		**10,945.92**	**15,211.10**
Current liabilities			
Financial liabilities			
(i) Borrowings	15(b)	2,955.21	1,513.41
(ii) Trade Payables	18		
a) total outstanding dues to micro enterprises and small enterprises		14.65	15.12
b) total outstanding dues other than (ii) (a) above		219.30	377.92
(iii) Other financial liabilities	16(b)	70.34	77.48
Other current liabilities	19	171.42	226.12
Provisions	17(b)	5.02	4.30
Total current liabilities		**3,435.94**	**2,214.35**
TOTAL EQUITY AND LIABILITIES		**30,815.46**	**20,831.62**
Material accounting policies	1 - 2		
The notes referred to above form an integral part of the financial statements	1-41		

As per our report of even date attached

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

J.M.Sheth

Jaymin Sheth
Partner
Membership Number:114583

Place: Mumbai
Date: 06 May 2025

For and on behalf of the board of directors of
Schloss Chanakya Private Limited
CIN: U55100DL2019PTC347362

Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: 06 May 2025

Ravi Shankar
Director
DIN: 079667039

Place: Mumbai
Date: 06 May 2025

Subhasish Dutta
Chief Financial Officer

Place: New Delhi
Date: 06 May 2025

Anuja Dube
Company Secretary
Membership Number: ACS 44198

Place: Mumbai
Date: 06 May 2025

SCHLOSS CHANAKYA PRIVATE LIMITED

SCHLOSS CHANAKYA PRIVATE LIMITED
Statement of profit and loss for the year ended 31 March 2025
(All amounts in Indian rupees in millions, unless stated otherwise)

Particulars	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations	20	3,178.56	2,959.98
Other income	21	119.24	143.75
Total income		**3,297.80**	**3,103.73**
Expenses			
Consumption of Food & Beverages	22	251.49	211.80
Employee benefits expense	23	511.80	462.73
Finance costs	24	1,434.61	1,588.81
Depreciation and amortisation expense	25	191.35	183.27
Other expenses	26	1,122.10	1,033.93
Total expenses		**3,511.35**	**3,480.54**
(Loss) before tax		**(213.55)**	**(376.81)**
Tax expense			
- Current tax	34	-	-
- Deferred tax	34	-	-
(Loss) after tax		**(213.55)**	**(376.81)**
Other comprehensive (loss)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans, net of tax		(1.96)	(3.13)
Income tax relating to these items		-	-
Total other comprehensive (loss) for the Year, net of tax		(1.96)	(3.13)
Total comprehensive (loss) for the year		(215.51)	(379.94)
Earning per equity share (in rupees)	28		
Basic earnings per share (Face value Rs.10 each)		(1.92)	(3.39)
Diluted earnings per share (Face value Rs.10 each)		(1.92)	(3.39)
Material accounting policies	1 - 2		
The notes referred to above form an integral part of the financial statements	1-41		

As per our report of even date attached

For B S R & Co. LLP
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Company Secretary
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Date: 06 May 2025

SCHLOSS CHANAKYA PRIVATE LIMITED

SCHLOSS CHANAKYA PRIVATE LIMITED
Statement of cash flows for the year ended 31 March 2025
(All amounts in Indian rupees in millions, unless stated otherwise)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Cash flows from operating activities		
Loss before tax for the year	(213.55)	(376.81)
Adjustments for:		
Depreciation and amortisation expense	191.35	183.27
Finance costs	1,434.61	1,588.81
Net loss on disposal of property, plant and equipment	-	1.05
Net foreign exchange differences	(1.27)	(2.04)
Provision for doubtful debts	(5.98)	16.44
Liabilities no longer required written back	(40.52)	-
Interest income	(68.37)	(129.32)
Operating cash flows before working capital changes	**1,296.27**	**1,281.40**
Working capital movements:		
(Increase) in inventories	(11.85)	(7.90)
(Increase) in trade receivables	(139.95)	(4.07)
(Increase) in other assets	(20.12)	(4.61)
(Increase)/ Decrease in other financial assets	(0.09)	1.95
Increase (Decrease) in trade payables	(117.29)	115.93
(Decrease) in other financial liabilities	(12.42)	(20.10)
(Decrease) in other liabilities	(54.70)	(6.41)
Increase in provisions	3.75	6.17
Cash generated from operations	**943.59**	**1,362.36**
Income taxes received (paid)	(11.85)	(36.22)
Net cash flows generated from operating activities (A)	**931.73**	**1,326.14**
Cash flows from investing activities		
Purchase of property, plant and equipments including capital work in progress including capital advances	(195.23)	(106.73)
Payment for acquisition of subsidiaries	(11,123.05)	-
Inter corporate deposit (given) to related parties	(95.01)	(605.00)
Inter corporate deposit (repaid) by given to related parties	1,300.00	-
Interest received other than on inter corporate deposits	39.51	34.70
Interest received on inter corporate deposits	136.19	-
Investments in bank deposits	125.13	(255.69)
Net cash flows (used) in investing activities (B)	**(9,812.44)**	**(932.72)**
Cash flows from financing activities		
Proceeds from long-term borrowings	132.90	-
(Repayments) of long-term borrowings	(1,324.82)	(165.75)
Proceeds from issuance of CCPS	11,123.05	-
(Repayment)/Proceeds of borrowing to related parties	(421.00)	665.50
Proceeds from inter corporate deposits	2,306.72	-
Interest paid on CCD conversion	(1,786.23)	-
Interest paid other than on inter corporate deposits	(984.68)	(1,130.04)
Interest paid on inter corporate deposits	(66.84)	-
Net cash flows generated/(used) in financing activities (C)	**8,979.10**	**(630.29)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**98.39**	**(236.87)**
Cash and cash equivalents as at beginning of the year	52.33	289.20
Cash and cash equivalents at the end of the year	**150.72**	**52.33**
Components of cash and cash equivalents		
Cash on hand	1.90	1.70
Cheques in hand	-	-
Balance with banks		
- in current accounts	148.82	50.63
- in deposit accounts with original maturity of less than three months	-	-
Total cash and cash equivalents (Refer note 11)	**150.72**	**52.33**

Notes:
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7, "Statement of Cashflow" notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Indian Accounting Standards) Rules, 2021.

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

As per our report of even date attached

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

J. H. Sheth

Jaymin Sheth
Partner
Membership Number:114583

Place: Mumbai
Date: 06 May 2025

For and on behalf of the board of directors of
Schloss Chanakya Private Limited
CIN: U55100DL2019PTC347362

Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: 06 May 2025

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Place: Mumbai
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Subhasish Dutta
Chief Financial Officer

Place: New Delhi
Date: 06 May 2025

Anuja Dube
Company Secretary
Membership Number: ACS 44198
Place: Mumbai
Date: 06 May 2025

SCHLOSS CHANAKYA PRIVATE LIMITED

SCHLOSS CHANAKYA PRIVATE LIMITED
Statement of changes in equity for the year ended 31 March 2025
(All amounts in Indian rupees in millions, unless stated otherwise)

A. Equity Share Capital

Particulars	Note	Amount
As at 1 April 2023		574.23
Changes in equity share capital	13	-
As at 1 April 2024		574.23
Changes in equity share capital	13	536.00
As at 31 March 2025		1,110.23

B. Other Equity

Particulars	Note	Equity component of compound financial instruments	Reserve and Surplus: Securities premium	Reserve and Surplus: Retained earnings	Reserve and Surplus: Other equity	Total
As at 1 April 2023		876.59	5,033.72	(2,982.09)	-	2,928.22
(Loss) for the year		-	-	(376.81)	-	(376.81)
Other comprehensive (loss)		-	-	(3.13)	-	(3.13)
Total comprehensive (loss) for the year		-	-	(379.94)	-	(379.94)
Gain on account of modification in the terms of compound financial instruments		283.66	-	-	-	283.66
As at Balance at 1 April 2024		1,160.25	5,033.72	(3,362.03)	-	2,831.94
(Loss) for the Year		-	-	(213.55)	-	(213.55)
Other comprehensive (loss)		-	-	(1.96)	-	(1.96)
Total comprehensive (loss) for the year	14	-	-	(215.52)	-	(215.52)
(loss) on account of settlement of compound financial instrument		-	-	-	(926.76)	(926.76)
Extinguishment of compound financial instrument (Refer Note 15)		(1,160.25)	4,824.00	-	-	3,663.75
Residual value at inception of CCPS (Refer Note 15)		9,969.96				9,969.96
As at 31 March 2025	14	9,969.96	9,857.72	(3,577.56)	(926.76)	15,323.37

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

As per our report of even date attached

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

For and on behalf of the board of directors of
Schloss Chanakya Private Limited
CIN: U55100DL2019PTC347362

J. H. Sheth

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 06 May 2025

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Place: New Delhi
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Anuja Dube
Company Secretary
Membership Number: ACS 44198

Place: Mumbai
Date: 06 May 2025

SCHLOSS CHANAKYA PRIVATE LIMITED

SCHLOSS CHANAKYA PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2025

1 Company information

Schloss Chanakya Private Limited ("the Company") an Indian subsidiary of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited"), was incorporated on 18 March 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October 2019 by acquiring Delhi 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.

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 financial statements are prepared in Indian rupees in millions.

Historical cost convention

The financial statements have been prepared on historical cost basis, except for the following -
• certain financial assets and liabilities - measured at fair value; and
• defined benefit plans - plan assets measured at fair value.

The financial statements are approved for issue by the company's Board of directors on 06 May 2025.

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 periods 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 and intangible assets:

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 and intangible assets 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 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.

- 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 34 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 34 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 27 for further details.

- Contingent liabilities:

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 35 for further details.

- Fair Value Measurement of Derivative and other 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 33 for further details.

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
Chartered Accountants

SCHLOSS CHANAKYA PRIVATE LIMITED

2.3 Going Concern

The Company has incurred a loss of Rs. 213.55 millions during the year ended 1 April 2024 to 31 March 2025, has accumulated losses of Rs. 3,577.55 millions and positive net worth of Rs. 16,433.60 millions at 31 March 2025.

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

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

In view of the above, 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:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of assets.

All other assets are classified as non-current.

Liabilities

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

a. it is expected to be settled in the entity's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within twelve months after the balance sheet date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.

2.6 Material Accounting Policies

a) 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 orservices 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.

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.

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

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b) 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

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.

c) 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	3 years to 15 years
Furniture and fixtures	10 years	10 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.

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.

BSR & Co. LLP
Chartered Accountants

SCHLOSS CHANAKYA PRIVATE LIMITED

d) 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

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

Goodwill is measured at cost less any accumulated impairment losses. Goodwill attributable to the acquisition of Delhi 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 18 March 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

e) 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, 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.

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.

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f) 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.

g) 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.

h) 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.

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.

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j) 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.

k) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

l) 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.

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 receivable 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 Company's 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 other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in 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.

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Notes to the financial statements for the year ended 31 March 2025

m) Financial instruments (Continued)

-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.

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.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures denominated in Rs. that can be converted to equity shares at the option of the holder, 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.

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.

Derecognition of 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.

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 comprehensive income 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 debt instruments 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) Statement of Cash Flows

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.

o) 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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Notes to the financial statements for the year ended 31 March 2025
(All amounts in Indian rupees in millions, unless otherwise stated)

3(a) Property, plant and equipment

	Property, plant and equipment							
	Building	Freehold land	Plant and machinery	Furniture and fixtures	Office equipments	Computers and data processing unit	Vehicles	Total
Gross carrying amount								
As at 1 April 2023	3,531.82	14,108.99	887.91	91.03	0.34	30.80	69.29	18,720.18
Additions	-	-	99.62	0.53	-	1.06	-	101.21
Disposals	-	-	-	-	-	-	1.84	1.84
As at 31 March 2024	3,531.82	14,108.99	987.53	91.56	0.34	31.86	67.45	18,819.55
Gross carrying amount								
As at 1 April 2024	3,531.82	14,108.99	987.53	91.56	0.34	31.86	67.45	18,819.55
Additions	22.16	-	71.80	7.88	-	3.72	-	105.56
Disposals	-	-	-	-	-		-	-
As at 31 March 2025	3,553.98	14,108.99	1,059.33	99.44	0.34	35.58	67.45	18,925.11
Accumulated depreciation								
As at 1 April 2023	237.32	-	517.92	86.39	0.31	9.99	36.15	888.08
Charge for the year	68.83	-	96.24	1.29	0.01	4.84	11.27	182.49
Disposals	-	-	-	-	-	-	1.84	1.84
As at 31 March 2024	306.15	-	614.16	87.68	0.32	14.83	45.58	1,068.73
As at 1 April 2024	306.15	-	614.16	87.68	0.32	14.83	45.58	1,068.73
Charge for the year	68.84	-	103.53	1.51	0.00	5.51	11.24	190.64
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2025	374.99	-	717.69	89.19	0.32	20.34	56.82	1,259.37
Net block as at 31 March 2025	3,178.99	14,108.99	341.64	10.25	0.03	15.24	10.63	17,665.74
Net block as at 31 March 2024	3,225.67	14,108.99	373.37	3.88	0.02	17.05	21.87	17,750.82

Note

(i) Property Plant and Equipment pledged as Security: Refer to Note 15 for information on property, plant and equipment pledged as security by the Company.

(ii) Contractual Obligations: Refer to note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment

(iii) The title deeds of immovable properties including property, plant and equipment are held in the name of the Company.

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3(b) Other intangible assets

	Other intangible assets	
	Computer software	Total
Gross block		
As at 1 April 2023	4.77	4.77
Additions	-	-
Disposals during the year	-	-
As at 31 March 2024	4.77	4.77
Additions	-	-
Disposals during the year	-	-
As at 31 March 2025	4.77	4.77
		-
Accumulated amortisation		
As at 1 April 2023	**0.76**	**0.76**
Charge for the year	0.78	0.78
Disposals	-	-
As at 31 March 2024	**1.54**	**1.54**
Charge for the year	0.72	0.72
Disposals	-	-
As at 31 March 2025	**2.26**	**2.26**
Net block as at 31 March 2025	**2.51**	**2.51**
Net block as at 31 March 2024	**3.23**	**3.23**

Note

(i) Other intangible assets pledged as Security: Refer to Note 15 for information on other intangible assets pledged as security by the Company.

3(c) Capital work-in-progress

As at 1 April 2023	25.41
Additions	19.40
Assets capitalised during the year	(25.41)
As at 31 March 2024	**19.40**
Additions	80.23
Assets capitalised during the year	(13.72)
As at 31 March 2025	**85.91**

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North C Wing,
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3(c) Capital work-in-progress (Continued)

Capital work-in-progress Ageing Schedule
As at 31 March 2025

Capital work in progress	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	71.30	14.61	-	-	85.91
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2024

Capital work in progress	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	19.40	-	-	-	19.40
Projects temporarily suspended	-	-	-	-	-

Note
There are no projects as on 31 March 2025 where the project timelines are overdue and where the costs have exceeded the original plan approved by the Board of Directors.

3(d) Goodwill

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	527.57	527.57
Additions during the year	-	-
Less: Impairment loss recognized	-	-
Closing Balance	527.57	527.57

Note
(i) Goodwill is pledged as Security: Refer to Note 15 for information on goodwill pledged as security by the Company.

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 purpose.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. 527.57 millions (31 March 2024: Rs.527.57 millions) The estimated value-in-use of this CGU is based on the future cash flows using a 5% annual growth rate (March 31 2024: 5% p.a) for year subsequent to the forecast period of 5 years and a discount rate of 12.5% p.a.(March 31 2024: 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 as performed as on 31 March 2025 did not result in any impairment of goodwill.

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4 Financial asset- Current loans
Unsecured considered good, unless otherwise stated

Particulars	As at 31 March 2025	As at 31 March 2024
Loans to related parties (Refer Note 36)	-	1,205.00
Credit Impaired	-	-
	-	1,205.00

Loans or advances to related parties:

	As at 31 March 2025		As at 31 March 2024	
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Related Parties *	-	NA	1,205.00	100%

* Related parties with common directors.

The Company's holding company i.e Schloss Bangalore Limited (from 31May 2024) and its subsidiary i.e Schloss HMA Private Limited have availed Inter corporate deposits from the Company, for a total of Rs Nil (Repaid during the year Rs.1,300.00 millions and Borrowing during the year Rs.95.00 millions (Previous Year Rs.1205.00 millions) to meet working capital requirements and it is repayable on demand.

5 Other financial assets

5(a) Non-current financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
Margin money deposits	81.02	71.30
Bank deposits with maturity of more than 12 months	22.99	259.08
Security deposits		
Considered good- Unsecured	8.64	8.78
	112.65	339.16

Note-
(i) Security deposits are primarily on account of utility deposits and rental agreements. Security deposits given to related parties amounts to Rs. Nil (31 March 2024: Rs Nil)
(ii) Out of total margin money deposits, bank deposit amounting to Rs. 81.02 millions (31 March 2024:Rs.70.82 millions) represents bank deposits made with bank which is given as a guarantee to Ministry of Environment and Forests (MOEF) for the liability incurred towards environmental clearance. (Refer Note 31)

5(b) Current financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
To related parties (Refer Note 36)		
Interest receivable	-	93.54
Other receivables	22.46	-
To other than related parties:		
Considered good - Unsecured	0.63	0.33
Advances to employees	-	0.08
Interest accrued on bank deposits	-	13.80
	23.09	107.75

5(c) Investment

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in subsidiaries (unquoted) (measured at cost) (Refer Note 37)		
51,07,412 Equity shares of Rs. 10 each fully in Schloss Udaipur Private Limited	4,139.86	-
1,25,75,000 Equity shares of Rs. 10 each fully in Tulsi Palace and Resort Private Limited	6,983.18	-
	11,123.05	-
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	11,123.05	-
Aggregate amount of impairment in the value of investments	-	-

6 Deferred tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
The components of deferred tax balances are as follows:		
(A) Deferred tax assets		
Arising on account of timing differences in:		
Provision for employee benefits	6.23	4.95
Borrowings	95.56	93.39
Unabsorbed depreciation / business loss (Refer Note below)	128.97	107.44
Loss allowances	4.40	-
Others	6.13	8.12
	241.30	213.90
(B) Deferred tax liability		
Excess of depreciation / amortisation on property, plant and equipment under income tax laws over depreciation / amortisation provided in the books	240.67	213.55
Intangible assets	0.63	0.37
	241.30	213.90
Deferred tax assets/(liabilities) (net) - (A)-(B)	-	-

Note:
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.

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7 Current tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance tax and tax deducted at source [(net of provision of tax:Rs. Nil (31 March 2024: Rs.Nil)]	61.41	49.56
	61.41	**49.56**

8 Other assets

8(a) Other non-current assets

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Capital advances	47.11	17.79
Prepaid expenses	5.90	9.90
Lease equalisation reserve	0.16	-
Balances with government authorities*	261.19	261.19
	314.36	**288.88**

*Balance with government authorities to the extent of Rs. 260.34 millions (31 March 2024:Rs.260.34 millions) represents advance given to New Delhi Municipal Council (NDMC) for Floor Area Ratio (FAR) and Zonal Average Auction Rate (ZAAR) matter which is ongoing before the court. (Refer Note 35)

8(b) Other current assets

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Advance to suppliers	9.72	17.41
Prepaid expenses	35.28	48.33
Advances to employees	0.09	-
Balances with government authorities	76.31	46.33
Unbilled revenue	-	7.82
	121.40	**119.89**

9 Inventories
(valued at cost or net realisable value whichever is lower)

Particulars	As at 31 March 2025	As at 31 March 2024
Food and beverages	75.16	55.92
Stores and operating supplies	18.77	26.16
	93.93	**82.08**

The amount of Inventories pledged as securities for liabilities (Refer Note 15 - Borrowings)

10 Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Receivables from related parties (Refer Note 36)	53.61	4.11
Trade receivables - other than related parties	185.86	113.77
Unbilled Trade receivables	18.36	-
Less: Loss allowance	(17.47)	(23.45)
Total receivables	**240.36**	**94.43**

Note:
(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 36.
(iii) For related party balances refer Note 36

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11 Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	1.90	1.70
Balances with banks		
- in current accounts	148.82	50.63
- in deposit accounts with original maturity of less than three months	-	-
	150.72	**52.33**

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

12 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Other bank balances		
- in deposit accounts with original maturity of more than 3 months but less than 12 months*	292.76	191.52
	292.76	**191.52**

*Bank Deposits amounting to Rs. Nil (31 March 2024: Rs.191.52 millions) has been pledged against Overdraft facilities availed.
*Bank Deposits amounting to Rs. 9.64 millions (31 March 2024 :Rs.9.91 millions) has been made against Letter of Credit availed during the current year.
*'Bank deposit of Rs. 283.12 millions is restricted against the borrowings availed by the Company.

13 Equity share capital

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised		
4,065,500,000 (31 March 2024: 65,500,000) equity shares of Rs.10 each	40,655.00	655.00
	40,655.00	**655.00**
Issued, subscribed and paid up		
111,023,076 (31 March 2024:57,423,076) equity shares of Rs.10 each, fully paid up	1,110.23	574.23
	1,110.23	**574.23**

a) Reconciliation of shares outstanding and amount at the beginning and at the end of the reporting year:

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,74,23,076	574.23	5,74,23,076	574.23
Shares issued during the year	5,36,00,000	536.00	-	-
At the end of the year	**11,10,23,076**	**1,110.23**	**5,74,23,076**	**574.23**

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

c) Shares held by holding company/intermediate holding company

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each fully paid-up				
BSREP III India Ballet 1 Pte Ltd Holding Company	-	-	5,74,23,075	574.23
BSREP III India Ballet Pte Ltd Intermediate Holding Company	-	-	1	0.00
Schloss Bangalore Limited	11,10,23,070	1,110.23	-	-
Schloss HMA Private Limited	1	-	-	-
Schloss Chennai Private Limited	1	-	-	-
Leela Palaces and Resorts Limited	1	-	-	-
Schloss Tadoba Private Limited	1	-	-	-
Schloss Gandhinagar Private Limited	1	-	-	-
Schloss Udaipur Private Limited	1	-	-	-
	11,10,23,076	**1,110.23**	**5,74,23,076**	**574.23**

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of Rs. 10 each fully paid-up				
BSREP III India Ballet 1 Pte Ltd Holding Company (till 30 May 2024)	-	-	5,74,23,075	99.99%
Schloss Bangalore Limited (holding company from 31 May 2024)	11,10,23,070	99.99%	-	0.00%
	11,10,23,070	**99.99%**	**5,74,23,076**	**99.99%**

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

f) Terms of any securities convertible into equity
Refer Note 15(C)(a) for terms of conversion of Compulsorily Convertible Debentures

g) Disclosure of Shareholding of Promoter and Promoter Group

Particulars	As at 31 March 2025		Percentage change in holding
	No. of shares	% of Holding	
Equity shares of Rs. 10 each fully paid-up			
Schloss Bangalore Limited (holding company from 31 May 2024)	11,10,23,070	99.99%	100%
Schloss HMA Private Limited	1	0.00%	0%
Schloss Chennai Private Limited	1	0.00%	0%
Leela Palaces and Resorts Limited	1	0.00%	0%
Schloss Tadoba Private Limited	1	0.00%	0%
Schloss Gandhinagar Private Limited	1	0.00%	0%
Schloss Udaipur Private Limited	1	0.00%	0%
	11,10,23,076	**100%**	-
Particulars	**As at 31 March 2024**		**Percentage change in holding**
	No. of shares	% of Holding	
Equity shares of Rs. 10 each fully paid-up			
BSREP III india Ballet 1 Pte Ltd Holding Company	5,74,23,074	99.99%	-100%
BSREP III india Ballet Pte Ltd Intermediate Holding Company	1	0.01%	0%
	5,74,23,075	**100.00%**	

(All amounts in Indian rupees in millions, unless otherwise stated)

14 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
a) Reserves and surplus		
Securities premium:		
At the commencement of the year	5,033.72	5,033.72
Add: Premium on shares issued during the year	4,824.00	-
At the end of the year	9,857.72	5,033.72
Retained earnings:		
At the commencement of the year	(3,362.03)	(2,982.09)
Add: (Loss) for the year	(213.55)	(376.81)
Add: Other comprehensive (loss)	(1.96)	(3.13)
At the end of the year	(3,577.55)	(3,362.03)
Other equity		
At the commencement of the year	-	-
Add: Additions during the year	(926.76)	-
At the end of the year	(926.76)	-
Total Reserves and surplus	5,353.41	1,671.69
b) Equity component of compound financial instruments		
At the commencement of the year	1,160.25	876.59
Residual value at inception of CCPS	9,969.96	-
Add: Gain on account of modification in the terms of compound financial instruments	-	283.66
Less: Converted to equity shares during the year	(1,160.25)	-
At the end of the year	9,969.96	1,160.25

Note:

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.

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

Equity component of compound financial instruments
This represents equity portion of Compulsorily Convertible Debentures (CCDs). Refer Note 15(C) for details on terms of the instrument.

Other Equity
This represent the loss on early conversion of Compulsorily convertible Debentures

15 Borrowings

15(a) Non-current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Secured:		
Term loans:		
- From banks		
Rupee term loan (Refer Note A and A2)	9,053.62	9,088.21
Less: Amount disclosed under current maturities of long-term borrowings {Refer note A(d)}	(254.43)	(175.92)
	8,799.19	8,912.29
Working capital term loan (Refer Note B)	1,376.93	1,915.46
Less: Amount disclosed under current maturities of long-term borrowings {Refer note B(c)}	(502.09)	(486.50)
	874.84	1,428.96
Unsecured:		
12% compulsorily convertible preference shares		-
Liability component of compound financial instruments (Refer Note C)	1,251	-
	1,250.99	-
10.5% Unsecured compulsorily convertible debentures		
Liability component of compound financial instruments (Refer Note D)	-	4,854.84
	-	4,854.84
Total	10,925.02	15,196.09

15(b) Current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Secured:		
Short Term Line Credit (Refer Note E)	237.12	220.99
Overdraft (Refer Note F)	-	630.00
Current maturities of long-term borrowings [Refer Note 15(A)(c)]	756.51	662.42
Unsecured:		
From related parties* (Refer Note 36)	1,961.58	-
	2,955.21	1,513.41

*The Company's related parties i.e Schloss Bangalore Limited, Schloss Chennai Private Limited and Schloss Udaipur Private Limited have granted unsecured inter corporate deposits to the Company, for a total of Rs. 1,885.72 millions (31 March 2024: Rs. Nil) to meet working capital requirements and it is repayable on demand.

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Notes:

A Term loan and working capital loan from Bank

The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the Company and other co-borrowers i.e. Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited"), Schloss HMA Private Limited (w.e.f. 29 March 2025) and Leela Palaces and Resorts Limited (w.e.f. 29 March 2025), for a total amounting to Rs. 27,500 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property (Rs. 2,000.00 millions) fully fungible amount amongst each of the three co-borrowers and the Company's hotel property in Delhi. 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 of 0.10%. The Company has available facility of Nil (31 March 2024:Rs.8,955 millions) and rate of interest as on 31 March 2025 is 9.10% (31 March 2024: 8.65% p.a) with monthly rests.

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. The Company has cross charged the interest expense on such utilisation.

(a) Primary security:

The total term loan under the said agreement is secured against assets of the Company, other co-borrowers 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) Other security:

i) Pledge of 30% shares of the Company held by Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited), Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.

ii) A guarantee of Schloss HMA Private Limited and Leela Palaces and Resorts Limited, fellow subsidiaries enforceable towards meeting the shortfall in debt service obligations upto 28 March 2025.

iii) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., ultimate Holding company of sister company, situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations.
iv) Mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

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

(d) 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 1.52, DSCR 1.34, ICR 1.89, Debt/EBITDA 5.64. The Company has met all the loan covenants during the year.

(e) Moratorium on interest:

Company has availed the moratorium facility for interest on term loan from the month of March to August, 2020 which has been further capitalised into term loan w.e.f. 01 October 2020. Accordingly, interest outstanding till 31 August 2020 amounting to Rs.390.26 millions (31 March 2024: Rs. 390.26 millions) has been capitalized in term loan reported above.

(f) 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.

A2 Corporate Term Loan:

The lender has granted a corporate term loan facility under the Agreement dated 02 February, 2024 to the Company and co-borrowers i.e. Schloss Bangalore Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. 29 March 2025) and Leela Palaces and Resorts Limited (w.e.f. 29 March 2025) for a total amounting to Rs. 1,500.00 millions for the purpose of ongoing capital expenditure ("capex") of the Company and other three co-borrowers. Major portion i.e. 2/3rd portion of the sanctioned loan to be utilized in Schloss Bangalore Limited and remaining 1/3rd will be utilized by the company, Schloss Udaipur Private Limited and Schloss Chennai Private Limited. The rate of interest is 0.10% plus 1 year MCLR i.e. 9.00% p.a., present effective rate is 9.10% p.a. with monthly rests.

(a) Primary Security details: Exclusive charge on plant and machinary financed out of proposed corporate term loan of Rs. 1,500 million.

(b) Collateral security details: Extention of charge on current assets and fixed assets of the company and other co-borrowers as per obligor, Co-obligor structure both present and future.

(c) Corporate guarantee:

- BSREP III India Ballet Holdings (DIFC) Limited
- Schloss HMA Private Limited (upto 28 March 2025)
- Leela Palaces and Resorts Limited (upto 28 March 2025)

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.2,000 millions (31 March 2024: Rs.2,000 millions) on 9 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 monthly 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 0.20%, subject to annual reset.

(a) Primary security:

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

(b) Other security:

i) Pledge of 30% shares of the Company held by Schloss Bangalore Limited (formerly known as Schloss Bangalore 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) Current maturities of long-term borrowings are classified as current borrowings.

C 12% Compulsorily convertible preference shares

(a) The Company has issued CCPS to its holding company. These CCPS are non-redeemable, fully convertible participating preference shares. CCPS carry a preferential dividend of 12% per annum, payable at the discretion of the Company's board of directors.

The CCPS must be converted at maturity (after 20 years) or any date mutually agreed between the CCPS holder . The conversion will take place at fair value on the conversion date. The fair value will be calculated by an appointed valuer. In all scenarios, both the holder and the Company have the option to convert the CCPS into equity shares at the fair value on the conversion date.

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D 10.50% unsecured compulsorily convertible debentures

Compulsory Convertible Debentures:

Conversion terms:

The Company had issued 10.50% p.a. interest bearing 5,36,00,000 compulsory convertible debentures ("CCDs") having face value of Rs. 100 each and term of 15 years during the year ended 31 March 2021 and 31 March 2022 respectively. These CCDs carried 10.50% p.a. coupon rate.

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.

Restriction on payment of interest on CCDs:

As per terms of the Common Facility Agreement referred at clause 5(A), 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.

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. As at 31 March 2024 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 17(a)).

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 addendum agreement the CCD holder is 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. 283.66 millions in equity in previous year ended 31 March 2024.

Extinguishment of CCDs: Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, the holder of the compulsorily convertible debentures ("CCD") has requested for the conversion of those CCDs on 31 May 2024 and these CCDs are converted into equity shares during the year. Interest on CCDs is paid during the year till the date of conversion of these CCDs to equity.

E Short Term Credit Line

The lender has granted a working capital facility as per Agreement dated 11 August 2020 to the Company and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited"), Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. 29 March 2025) and Leela Palaces and Resorts Private Limited (w.e.f. 29 March 2025) for a total amounting to Rs. 1,000.00 millions to meet the working capital requirement and it is repayable on demand. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR") plus 0.20%, subject to monthly rests. The rate of interest as on 31 March 2025 is 9.10 % .(31 March 2024:8;65%)

(a) Primary security:

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

(b) Collateral security:

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

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

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

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

(v) Extension of pledge of 30% shares of (i) The company held by Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited) (ii) Schloss Udaipur Private Limited held by the Company (iii) Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") held by Project Ballet Bangalore (DIFC) Pvt. Ltd. (iv) Schloss Chennai Private Limited held by Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited) in favour of the lender for the entire exposure (TL+WC).

(c) Corporate guarantee:

i) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., intermediate Holding company , situated at Dubai upto an amount of Rs. 3,000.00 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations from 31 March 2022.

(ii) A guarantee of Schloss HMA Private Limited and Leela Palaces and Resorts Limited, fellow subsidiaries enforceable towards meeting the shortfall in debt service obligations upto 28 March 2025.

(d) 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 Overdraft

There is no Overdaraft facility availed as on 31 March 2025.

(a) Interest Rate

The rate of interest as on 31 March 2025 is Nil (31 March 2024: 7.50%).

(b) Pledged securities:

Bank Deposits amounting to Rs Nil (31 March 2024:Rs.191.52 millions) has been pledged against Overdraft facilities availed.

16 Other financial liabilities

16(a) Non-current financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits	1.15	0.25
	1.15	**0.25**

16(b) Current financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits	-	1.75
Capital creditors	6.17	-
Liability towards environmental clearance (Refer Note 31)	29.50	36.20
Employee dues payable	34.67	37.76
Interest accrued but not due on borrowings	-	1.77
	70.34	**77.48**

B S R & 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

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17 Provisions

17(a) Non-current provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits:		
- Compensated absences	10.72	8.65
- Gratuity (Refer Note 27)	9.03	6.11
	19.75	**14.76**

17(b) Current provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits:		
- Compensated absences	1.15	1.00
- Gratuity (Refer Note 27)	3.87	3.30
	5.02	**4.30**

18 Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
- Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	14.65	15.12
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (Refer Note 36)	116.22	214.38
- Other vendor payables	45.10	82.05
- Accrual expenses of related parties (Refer Note 36)	-	2.90
- Accrual expenses of other vendors	57.98	78.59
	233.95	**393.04**

Outstanding Dues of micro enterprises and small enterprises

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14.65	15.12
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.03
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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	-	0.40
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.

19 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Contract liability		
- Advance from customers	82.44	80.51
Statutory dues payable		
- Tax deducted at source, TCS and equalisation levy	17.43	108.49
- Provident fund	3.17	2.93
- Employees state insurance	0.05	0.07
- Goods and services tax	60.57	32.17
- Value added tax	7.76	1.95
	171.42	**226.12**

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10 Trade receivables (Continued)

As at 31 March 2025

Particulars	Unbilled	Outstanding for following periods from date of transaction: Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good		221.51	0.79				222.30
(ii) Undisputed Trade receivable – credit impaired	-	5.10	0.98	11.01		0.09	17.17
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(v) Trade receivables from contract with customers – unbilled	18.36	-	-	-	-	-	18.36
Less: provision for doubtful debts	-	(5.10)	(1.28)	(11.01)	-	(0.09)	(17.47)
Total	**18.36**	**221.51**	**0.49**	**-**	**-**	**-**	**240.36**

As at 31 March 2024

Particulars	Unbilled	Outstanding for following periods from date of transaction: Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	-	88.95	5.48	-	-	-	94.43
(ii) Undisputed Trade receivable – credit impaired	-	4.50	4.31	7.28	3.47	3.90	23.45
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(v) Trade receivables from contract with customers – unbilled	-	-	-	-	-	-	-
Less: provision for doubtful debts	-	(4.50)	(4.31)	(7.28)	(3.47)	(3.90)	(23.45)
Total	**-**	**88.95**	**5.48**	**-**	**-**	**-**	**94.43**

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(All amounts in Indian rupees in millions, unless otherwise stated)

18 Trade payables (Continued)

As at 31 March 2025

Particulars	Accrued expenses	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	14.65	-	-	-	14.65
(ii) Others	57.98	161.32	-	-	-	219.30
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**57.98**	**175.97**	**-**	**-**	**-**	**233.95**

As at 31 March 2024

Particulars	Accrued expenses	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	13.54	1.58	-	-	15.12
(ii) Others	81.49	285.46	1.23	9.74	-	377.92
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**81.49**	**299.00**	**2.81**	**9.74**	**-**	**393.04**

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(All amounts in Indian rupees in millions, unless otherwise stated)

20 Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from contract with customers		
(a) Sale of products:		
Food and beverages revenue	1,172.56	1,052.88
(b) Sale of Service:		
Room income	1,857.65	1,773.52
Other allied services (laundry income, airport transfers etc.)	148.35	133.58
	2,006.00	**1,907.10**
Total revenue from operations	**3,178.56**	**2,959.98**

The entire revenue of the Company is generated in India.

Timing of recognition:
For the year March 31, 2025

	Timing of recognition	
	At a point in time	Over time
Food and beverages revenue	1,172.56	-
Room income	-	1,857.65
Other allied services (laundry income, airport transfers etc.)	148.35	-
	1,320.91	**1,857.65**

For the year March 31, 2024

	Timing of recognition	
	At a point in time	Over time
Food and beverages revenue	1,052.88	-
Room income	-	1,773.52
Other allied services (laundry income, airport transfers etc.)	133.58	-
	1,186.46	**1,773.52**

Contract Balances

The contract liabilities primarily relate 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. The Company has recorded revenue of Rs. 80.51 millions (31 March 2024 : Rs.66.40 millions) against opening balance of contract liabilities.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contract liabilities		
- Advance from customers	82.44	80.51

21 Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income from financial assets measured at amortized cost:		
- Bank deposits	25.72	25.59
- intercorporate deposits	42.65	103.73
Interest income from income tax refund	0.89	-
Liabilities no longer required written back	40.52	-
Net foreign exchange differences	1.27	2.04
Other income*	8.19	12.39
	119.24	**143.75**

*Other income mainly comprises of scrap sales and rental income

22 Consumption of food and beverages

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening balance of inventory	55.92	42.96
Add: Purchases	270.73	224.76
	326.65	267.72
Less: Closing balance of inventory	(75.16)	(55.92)
Cost of food and beverages consumed during the year	**251.49**	**211.80**

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(All amounts in Indian rupees in millions, unless otherwise stated)

23 Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	429.14	386.41
Contribution to provident and other funds	18.84	17.83
Gratuity and compensated absences	6.34	8.43
Staff welfare expenses	57.48	50.06
	511.80	**462.73**

24 Finance costs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expense on:		
- term loan*	978.31	1,004.87
- overdraft	10.10	22.28
- inter corporate deposits from related parties (Refer Note 36)	142.70	-
- unwinding of provision and liability	-	4.17
- liability component of compound financial instruments (Refer Note 36)	204.39	556.64
- others	-	0.43
- compulsory convertible preference Shares	97.90	-
Other borrowing costs	1.21	0.42
	1,434.61	**1,588.81**

* Includes interest on working capital term loan of Rs. 26.00 millions (31 March 2024 Rs.179.38 millions)

25 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on property, plant and equipment	190.63	182.49
Amortisation of intangible assets	0.72	0.78
	191.35	**183.27**

26 Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Consumption of stores and operating supplies	101.76	102.39
Power and fuel	157.08	149.48
Repairs and maintenance		
- buildings	33.61	33.46
- plant and machinery	26.60	29.08
- others	44.60	42.07
Insurance	7.10	9.12
Communication	6.08	4.46
Travelling and conveyance	19.93	18.12
Guest transportation	19.88	14.24
Printing and Stationery	2.98	2.64
Reservation fees	8.82	5.52
Sales and credit card commission	141.36	113.42
Provision for doubtful debts (Net)	(5.98)	16.44
Business promotion	141.71	119.15
Management fees	201.26	190.84
Legal and professional fees	26.30	22.27
Payment to auditors (Refer Note below)	2.10	2.10
Rates and taxes	90.39	80.39
Bank charges	1.99	3.64
Net loss on disposal of property, plant and equipment	-	1.05
Miscellaneous expenses	94.53	74.05
	1,122.10	**1,033.93**

Payment to auditor's (excluding taxes)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Statutory audit fees	2.10	2.10
	2.10	**2.10**

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(All amounts in Indian rupees in millions, unless otherwise stated)

27 Employee benefits obligations

(a) Defined contribution plan

The Company makes provident fund contributions to defined contribution plans for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable under these plans by the Company are at rates specified in the rules of the schemes.
The contributions are charged to the statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund, employees state insurance and labour welfare fund for the year ended aggregated to Rs. 18.84 millions,(31 March 2024: Rs.17.83 millions).

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

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

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

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of obligation	25.90	20.09
Fair value of plan assets	13.00	10.68
Net assets / (liability) recognized in balance sheet as provision	**(12.90)**	**(9.41)**

Movement in net defined benefit obligation and plan assets

The following table shows a reconciliation from the opening balances to closing balances

	Defined benefit obligation		Fair value of plan assets		Net asset / (liability)	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Opening balance	**20.09**	**16.20**	**10.68**	**11.21**	**(9.41)**	**(4.99)**
Acquisition adjustment	-	-	-	-	-	-
Current Service Cost	3.90	3.17	-	-	(3.90)	(3.17)
Past Service Cost including curtailment Gains/Losses	(0.63)	-	-	-	0.63	-
Interest Cost/ Interest income on plan assets	1.46	1.22	0.76	0.70	(0.70)	(0.52)
Benefits paid	(0.88)	(3.49)	(0.88)	(3.49)	-	-
Employer Contribution	-	-	2.44	2.27	2.44	2.27
Actuarial (loss)/ gain on plan asset	1.95	3.00	0.01	-	(1.94)	(3.00)
Closing balance	**25.90**	**20.09**	**13.00**	**10.67**	**(12.90)**	**(9.41)**

Expense recognized in statement of profit and loss:

Particulars	As at 31 March 2025	As at 31 March 2024
Total Service Cost	3.28	3.17
Net Interest Cost	0.70	0.37
Expense recognized in the Income Statement	**3.97**	**3.54**

Remeasurements recognized in other comprehensive income:

Particulars	As at 31 March 2025	As at 31 March 2024
Actuarial loss for the year on PBO	1.95	3.00
Actuarial loss for the year on Asset	0.01	0.13
Actuarial loss for the year	**1.96**	**3.13**

Plan Assets:
Plan assets comprise the following:

Particulars	As at 31 March 2025	As at 31 March 2024
Charge for the year	13.00	10.67
Coverage of plan asset	100%	100%

Summary of actuarial assumptions:
The following were the principal actuarial assumptions at the reporting date

Charge for the year	As at 31 March 2025	As at 31 March 2024
Discount rate	7.04%	7.25%
Future salary growth	8.00%	8.00%
Retirement Age (Years)	58	58
Mortality rates inclusive of provision for disability	IALM(2012-14)	IALM(2012-14)
Attrition at Ages		
- Up to 30 Years	30.00%	30.00%
- From 31 to 44 years	25.00%	25.00%
- Above 44 years	2.00%	2.00%

Sensitivity analysis:

a) Impact of the change in discount rate		
Present Value of Obligation at the end of the year	25.90	20.09
Impact due to increase of 0.50%	(0.81)	(0.64)
Impact due to decrease of 0.50%	0.86	0.68
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the year	25.90	20.09
Impact due to increase of 0.50%	0.77	0.67
Impact due to decrease of 0.50%	(0.74)	(0.64)

Sensitivities due to mortality & withdrawals are not material & 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 & life expectancy are not applicable.

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Maturity Profile of Defined Benefit Obligation

The weighted average duration to the payment of these cash flows is 4.15 years

Year	As at 31 March 2025	As at 31 March 2024
0 to 1 Year	3.87	3.30
1 to 2 Year	2.56	2.03
2 to 3 Year	1.94	1.71
3 to 4 Year	1.82	1.15
4 to 5 Year	1.65	1.14
5 to 6 Year	1.07	1.08
6 Year onwards	12.98	9.68

Expected contribution for the next Annual reporting year:

Particulars	Amount (in millions)
Service Cost	4.40
Net Interest Cost	0.91
Expected Expense for the next annual reporting year	**5.31**

c) 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 Other Comprehensive Income in the period in which they arise.

"The compensated absences (non-funded) for the year ended 31 March 2025 amounting to Rs.2.17million (March 31 2024 4.89 Million): has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method."

28 Earnings per share

Computation of earnings per share

Particulars	As at 31 March 2025	31 March 2024
Loss attributable to equity shareholders for basic EPS	(213.55)	(376.81)
Add: Finance cost saved on CCPS	97.90	-
Loss attributable to equity shareholders for diluted EPS	(115.66)	(376.81)
Weighted average number of shares to be considered for computing basic EPS	11,10,23,076	11,10,23,076
Weighted average number of shares to be considered for computing diluted EPS	18,99,50,998	11,10,23,076
Face value per share	10	10
Basic earnings per share (INR)	(1.92)	(3.39)
Diluted** earnings per share (INR)	(1.92)	(3.39)

**As the impact of the CCPS 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.

Reconciliation of earnings used in calculating earnings per share

Particulars	As at 31 March 2025	As at 31 March 2024
Basic EPS		
Loss attributable to equity shareholders	(213.55)	(376.81)
	(213.55)	(376.81)
Diluted EPS		
Loss attributable to equity shareholders	(213.55)	(376.81)
Add: Finance cost saved on CCPS	97.90	-
Loss attributable to be considered for Diluted EPS	**(115.66)**	(376.81)

Weighted average number of shares used as the denominator

Particulars	As at 31 March 2025	As at 31 March 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,74,23,076	5,74,23,076
Equivalent shares of CCD	89,33,333	-
Share issued towards conversion of CCD	4,46,66,667	5,36,00,000
Equivalent shares of CCPS	7,89,27,922	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating basic and diluted earnings per share	**18,99,50,998**	**11,10,23,076**

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29 Segment Reporting

The Company's Director's are identified as Chief Operating Decision Maker ('CODM'), since they are responsible for all the major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of Hotel Leela Delhi. CODM has examined the Company's performance from product and geographic perspective and has identified a single business segment i.e. "Developing and running of hotels", hence no specific disclosures have been made.

A. Information about products and services
Company primarily deals in one business namely "Developing and running of hotels" therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas
The Company provides services to customers in India. Further, there are no non-current assets located outside India.

C. Information about major customers
The Company does not derive revenue from one customer which would amount to 10 per cent or more of the entity's revenue.

30 Leases

The Company has entered into contracts which qualify for lease as per the criterias specified under Ind AS 116. There are 2 recognition exemptions have been provided in Ind AS 116 for short term leases and low value leases. The contracts entered by the company are primarily for the purpose of accommodation of employees and for the term of less than 12 months. Hence, they qualify the exemption criteria for short term lease. For the rest of the contracts, the Company has the option to exit the lease by giving 2-3 months notice without any significant penalty. Based on expected use of such leased premises by the management they would qualify for short term lease exemption. Hence, the lease rentals has directly been charged to the statement of profit and loss.

31 Liability for environmental clearance

Liability towards environmental clearance pertains to expenses to be incurred by the Company for the remediation plan for obtaining Environmental Clearance ("EC") from the Ministry of Environment and Forests ("MOEF") for the enhanced built-up area for which EC was not obtained in the past. The total expenses to be incurred by the Company is Rs 109.07 millions. The breakup of the amount to be incurred by the Company is as follows:

Particulars	Amount
Cost on remediation plan based on damage assessment due to violation	36.97
Natural resource and community resource augmentation plan	33.85
Activities to be completed under CER after the accordance of environmental	36.25
Ecology and biodiversity conservation in AsolaBhati Sanctuary and Okhla Bird	2.00
	109.07

The said amount is to be spent by the Company over a period of 3 years as follows:#

Particulars	As at 31 March 2025	As at 31 March 24
Financial year 2021-22	24.45	24.45
Financial year 2022-23	23.50	23.50
Financial year 2023-24	61.12	61.12
	109.07	109.07

The Company has further obtained an extension on 25 April 2025, in continuation of the extension previously sought on 2 November 2024, to utilize the pending amount of Rs. 34.67 million, as disclosed in Note 16(b), by 30 November 2025.

32 Net debt reconciliation

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities for movement in the statement of cash flow are given below:

Particulars	Current Borrowings	Non-Current Borrowings
Balance as at 31 March 2023	426.12	15,610.29
Proceeds for the year (inclusive of security premium component)	665.50	-
Repayments for the year	-	(165.75)
Interest cost for the year (inclusive of fair valuation component)	-	1,583.80
Interest paid for the year	-	(1,125.87)
Reconciliation of shares outstanding and amount at the beginning and at the end of the reporting year:	-	(283.66)
Less: Cash and cash equivalents	-	(52.33)
Balance as at 1 April 2024	**1,091.62**	**15,566.48**
Proceeds for the Year (inclusive of security premium component)	1,476.97	12,415.48
Repayments for the year	(439.86)	(1,636.68)
Interest cost for the year (inclusive of fair valuation component)	164.51	1,268.88
Interest paid for the year	(94.54)	(2,742.00)
Impact of early conversion of CCD	-	(3,272.99)
Equity component of CCPS	-	(9,969.96)
Less: Cash and cash equivalents	-	(150.72)
Balance as at 31 March 2025	**2,198.70**	**11,478.49**

33 Financial instruments – Fair values and risk management

Note 33.1: Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2025

	Carrying amount				Fair value			
Particulars	**FVTPL**	**Amortised cost**	**FVTOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:								
Trade receivables	-	240.36	-	**240.36**	-	-	240.36	**240.36**
Investements	-	11,123.05	-	**11,123.05**	-	-	11,123.05	**11,123.05**
Cash and cash equivalents	-	150.72	-	**150.72**	-	-	150.72	**150.72**
Bank balances other than cash and cash equivalents	-	292.76	-	**292.76**	-	-	292.76	**292.76**
Other financial assets	-	135.74	-	**135.74**	-	-	135.74	**135.74**
	-	11,942.63	-	**11,942.63**	-	-	11,942.63	**11,942.63**
Financial liabilities:								
Borrowings (including current maturity)	-	13,880.23	-	**13,880.23**	-	-	13,880.23	**13,880.23**
Trade payables	-	233.95	-	**233.95**	-	-	233.95	**233.95**
Other financial liabilities	-	71.48	-	**71.48**	-	-	71.48	**71.48**
	-	14,185.66	-	**14,185.66**	-	-	**14,185.66**	**14,185.66**

BSR & Co. LLP
14th Floor
Central B Wing and
North C Wing,
Nesco IT Park 4,
Nesco Center
Western Express Highway,
Goregaon (East),
Mumbai - 400063
Chartered Accountants

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33 Financial instruments – Fair values and risk management (Continued):

As at 31 March 2024

	Carrying amount				Fair value			
Particulars	**FVTPL**	**Amortised cost**	**FVTOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:								
Trade receivables	-	94.43	-	**94.43**	-	-	94.43	**94.43**
Loans	-	1,205.00	-	**1,205.00**	-	-	1,205.00	**1,205.00**
Cash and cash equivalents	-	52.33	-	**52.33**	-	-	52.33	**52.33**
Bank balances other than cash and cash equivalents	-	191.52	-	**191.52**	-	-	191.52	**191.52**
Other financial assets	-	446.91	-	**446.91**	-	-	446.91	**446.91**
	-	1,990.19	-	**1,990.19**	-	-	1,990.19	**1,990.19**
Financial liabilities:								
Borrowings (including current maturities)	-	16,709.50	-	**16,709.50**	-	-	16,709.50	**16,709.50**
Trade payables	-	393.04	-	**393.04**	-	-	393.04	**393.04**
Other financial liabilities	-	77.73	-	**77.73**	-	-	77.73	**77.73**
	-	17,180.27	-	**17,180.27**	-	-	17,180.27	**17,180.27**

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, trade payables 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.

The carrying amount of non-current borrowings, security deposit liability, lease liability are fair valued using the current borrowing rate for similar instruments on similar terms. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Further, The Group has valued compound financial instrument (both financial liability and equity component) at fair value on initial recognition. Financial liability subsequently measured at amortised cost by adding unwinded interest.

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

The fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. .
Level 2: The fair value of financial instruments that are not traded in an active market 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 has been no transfer between different fair values hierarchy level for the year ended 31 March 2025 & 31 March 2024.

Note 33.2: Financial risk management objectives and policies

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 secuity 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 ageing of trade receivables that are past due and expected credit loss are given below:

Year	0 to 60 days	61 to 120 days	120 to 180 days	Above 180 days	Gross receivable	Impairment	Net receivable
As at 31 March 2025	235.97	7.86	1.14	12.87	257.83	17.47	**240.36**
As at 31 March 2024	78.97	10.40	4.08	24.43	117.88	23.45	**94.43**

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

Particulars	As at 31 March 2025	As at 31 March 2024
Opening	23.45	7.01
Loss allowance recognised	(5.98)	16.44
Amounts written off	-	-
Closing	**17.47**	**23.45**

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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.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2025	Carrying values	Contractual cash flows			
		0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:					
Non-current borrowings (including current maturities)	13,643.11	3,905.60	1,732.57	6,390.59	5,869.29
Current borrowings	237.12	237.12	-	-	-
Trade payables	233.95	233.95	-	-	-
Other financial liabilities	71.48	70.34	1.15	-	-
	14,185.67	**4,447.02**	**1,733.71**	**6,390.59**	**5,869.29**

As at 31 March 2024	Carrying values	Contractual cash flows			
		0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:					
Non-current borrowings (including current maturities)	15,858.51	1,621.94	1,648.41	**6,523.25**	**25,295.56**
Current borrowings	850.99	850.99	-	-	-
Trade payables	393.03	393.03	-	-	-
Other financial liabilities	77.73	77.48	0.25	-	-
	17,180.26	**2,943.43**	**1,648.66**	**6,523.25**	**25,295.56**

C) Market 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.

Currency risk:
The currencies in which the transactions are primarily denominated are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily in foreign currency are import of stores and operating supplies, payment of royalty and other expenses. There are no foreign currency revenue. The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follow:

Year	USD	Euro	GBP
As at 31 March 2025	2,44,599.00	-	3,243.00
As at 31 March 2024	-	-	-

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.

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

		As at 31 March 2025			As at 31 March 2024		
Non-designated	**Currency pair**	**Average exchange rate**	**Notional value (Rs. in million)**	**Fair value**	**Average exchange rate**	**Notional value (Rs. in million)**	**Fair value**
Buy	USD/INR	86.16	21.07	-	83.71	17.53	-
Buy	EUR/INR	-	-		91.09	0.10	-
Buy	GBP/INR	111.70	0.36	-	105.75	0.48	-

33 Financial instruments – Fair values and risk management
Risk management framework:
Currency risk:
Sensitivity

	As at 31 March 2025	As at 31 March 2024
USD sensitivity*		
Impact due to increase of 1%	2,446	-
Impact due to decrease of 1%	(2,446)	-
EUR sensitivity*		
Impact due to increase of 1%	-	-
Impact due to decrease of 1%	-	-
GBP sensitivity*		
Impact due to increase of 1%	32.43	-
Impact due to decrease of 1%	(32.43)	-

* - Holding all other variables constant and the impact is entirely on profit before tax

Interest rate risk:
Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

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Exposure to interest rate risk

Particulars (Principal amount)	Interest rate range	As at 31 March 2025	As at 31 March 2024
Fixed-rate instruments			
- Compulsorily convertible debentures		-	5,360.00
Variable-rate instruments			
- Term loan from bank	One year MCLR + spread of 0.10%, subject to monthly rests	9,053.62	11,003.67
- Working capital loan	Six months MCLR + spread of 0.20%, subject	1,614.05	2,136.45
		10,667.67	13,140.12

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss before tax and equity before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	31 March 2025 Profit/ (Loss)		31 March 2024 Profit/ (Loss)	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
Variable-rate instruments (Movements - 100 basis points)	(106.68)	106.68	(55.17)	55.17
Cash flow sensitivity (net)	(106.68)	106.68	(55.17)	55.17

The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the Company and other co-borrowers i.e. Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Bangalore Limited (formerly

34 Tax expense

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	-	-
Income tax expense	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	As at 31 March 2025	As at 31 March 2024
Profit before income tax expense	(213.55)	(376.81)
Tax on above @ 25.168%	(53.75)	(97.97)
Items allowable on payment basis not recognised in statement of profit and loss	-	(2.41)
Disallowance of interest on compulsory convertible debentures	51.44	
Disallowance of interest on compulsorily convertible preference shares	24.64	-
Unrecognised tax losses/unabsorbed depreciation	2.31	100.39
Other timing differences	(24.64)	-
Income tax expense	-	-

c) Deferred tax

Particulars	Balance as at 1 April 2024	Accounted through statement of profit and loss Charge/ (credit)	Accounted through OCI Charge/ (credit)	Accounted through other equity Charge/ (credit)	Balance as at 31 March 2025
Deferred tax liability:					
Property, plant and equipment	213.55	27.12	-	-	240.67
Intangible assets	0.37	0.26	-	-	0.63
Deferred tax assets:					
Borrowings	(93.39)	(2.17)	-	-	(95.56)
Provision for employee benefits	(4.95)	(1.28)	-	-	(6.23)
Loss Allowances		(4.40)	-	-	(4.40)
Others	(8.12)	2.00	-	-	(6.13)
Carry forward losses and unabsorbed depreciation	(107.44)	(21.53)	-	-	(128.97)
	-	-	-	-	-

Particulars	Balance as at 31 March 2023	Accounted through statement of profit and loss Charge/ (credit)	Accounted through OCI Charge/ (credit)	Accounted through other equity Charge/ (credit)	Balance as at 1 April 2024
Deferred tax liability:					
Property, plant and equipment	170.04	43.51	-	-	213.55
Intangible assets including Goodwill	120.96	(120.60)	-	-	0.37
Compulsorily Convertible Debentures	176.41	(176.41)	-	-	-
Deferred tax assets:					
Borrowings	(92.01)	(1.39)	-	-	(93.39)
Provision for employee benefits	(2.54)	(2.41)	-	-	(4.95)
Others	(3.45)	(4.67)	-	-	(8.12)
Carry forward losses and unabsorbed depreciation	(369.41)	261.97	-	-	(107.44)
	-	-	-	-	-

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(i) Deferred tax assets have been recognised based on an evaluation of whether it is probable that taxable profits will be earned in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of Directors.

(ii) Deferred tax assets have not been recognised in respect of tax losses of Rs. 1082.13 millions (31 March 2024: Rs.3068.37 millions its recovery is not considered probable in the foreseeable future. Such losses relate to the business of the Company.

(iii) Tax losses and unabsorbed depreciation in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

Expiry periods	As at 31 March 2025	As at 31 March 2024
Within four years	-	-
Later than four years but less than eight years	-	1,087.54
No expiry	1,082.13	1,980.83

35 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Claims against the Company not acknowledged as debts {Refer note (i) below}	3,032.81	2,929.70
Disputed statutory liabilities refer note(ii) below	5.17	11.16
	3,037.97	**2,940.86**

Notes:

(i) The breakup of claims against the Company not acknowledged as debts is as under:

Particulars	As at 31 March 2025	As at 31 March 2024
FAR - New Delhi Municipal Council ("NDMC") {Refer note (a) below}	3,031.72	2,928.62
Proceeding under The Minimum Wages Act, 1948 {Refer note (b) below}	1.08	1.08
	3,032.81	**2,929.70**

(a) HLV Limited (erstwhile owner) against the demand of Rs. 1,527.49 millions towards FAR charges deposited only Rs. 954.68 millions and the balance amount of Rs. 572.81 millions was disputed. HLV Limited (erstwhile owner) filed a writ petition before the Delhi High Court, inter alia for setting aside/quashing the final recovery notice praying that the Delhi hotel be classified as falling in the South Zone for the purpose of payment of charges for additional FAR and for grant of 25% concession of Zonal Average Auction Rate ("ZAAR"). The matter is pending before the Court. The amount of contingent liability presented above is inclusive of interest till balance sheet date.

(b) In the complaint under the Minimum Wages Act, 1948 the order was issued against HLV Limited (erstwhile owner) in September 2015 directing to pay Rs. 1.08 millions. The order was challenged by HLV Limited (erstwhile owner) before Hon'ble High Court of judicature at Delhi. The matter is pending before the High Court..

(ii) The breakup of disputed statutory liabilities is as under:

Particulars	As at 31 March 2025	As at 31 March 2024
Company in appeals		
Income Tax	-	-
Department in appeals		
Service tax *	5.17	11.16
	5.17	**11.16**

* Service tax department has levied service tax on complimentary services during the period from July 2012 to June 2017. The matter is currently pending before CESTAT. Against this Rs.0.16 millions is paid under protest.

(b) Commitments

Estimated amount of contracts remaining to be executed on account of purchase of property, plant and equipment and not provided for (net of advances) amounts to Rs. 101.12 millions.(31 March 2024:Rs.29.90 million)

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36 Related party disclosures

(a) Names of related parties

(i) Holding company
BSREP III India Ballet Pte. Ltd. (upto 30 May 2024)
Schloss Bangalore Limited (w.e.f. 31 May 2024)

(ii) Key managerial personnel
Mr. Anupam Das Gupta, General Manager
Mr. Yogesh Joshi, Non-Executive Director (upto 12 May 2024)
Mr. Anuraag Bhatnagar, Non-Executive Director (w.e.f. 13 September 2024)
Mr. Ravi Shankar, Non-Executive Director (w.e.f. 13 September 2024)
Ms. Apurva Purohit, Independent Director (w.e.f. 13 September 2024)
Mr Sougata Kundu (w.e.f. 22 September 2023)
Mr.Subhashish Dutta (w.e.f. 24 October 2024)

(iii) Subsidiaries
Tulsi Palace Resort Private Limited (w.e.f 31 May 2024)
Schloss Udaipur Private Limited (w.e.f 31 May 2024)
Moonburg Power Private Limited (w.e.f 31 May 2024)

(iv) Fellow subsidiaries
Tulsi Palace Resort Private Limited (till 30 May 2024)
Schloss Udaipur Private Limited (till 30 May 2024)
Schloss Gandhinagar Private Limited
Leela Palaces and Resorts Limited
Moonburg Power Private Limited (till 30 May 2024)
Schloss Tadoba Private Limited
Brookprop Property Management Services Pvt Ltd (Formerly 'Brookprop Management Services Pvt Ltd')
Arliga India Office Parks Private Limited
Witwicky One Private Limited
Summitt Digitel Infrastructure Ltd
Elevar Digitel Infrastructure Private Limited
Brookfield India Real Estate Trust
Project Ballet Udaipur Holdings (DIFC) Private Limited
BSREP III Joy two holdings (DIFC) Limited
Inside India Resorts Private Limited
Anasvish Tiger Camp Private Limited
Transition Cleantech Services Four Private Limited
Transition Cleantech Services Five Private Limited
Aries Holdings (DIFC) Limited

(b) Transactions during the year

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Management fees expense		
Schloss HMA Private Limited	201.26	190.84
Reimbursement of expenses paid to / (received from)		
Schloss HMA Private Limited	73.14	31.41
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	(19.56)	0.39
Schloss Udaipur Private Limited	(13.47)	3.94
Schloss Chennai Private Limited	(1.10)	2.72
Schloss Gandhinagar Private Limited	(0.01)	-
Tulsi Palace Resort Private Limited	6.06	7.97
Interest income on capex limit utilisation (refer note 15A)		
Schloss Chennai Private Limited	23.41	20.29
Schloss Udaipur Private Limited	17.09	8.16
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	29.77	-
Interest on 10.50% unsecured compulsorily convertible debentures		
BSREP III India Ballet I Pte. Ltd.	204.39	556.64
Inter corporate deposit given		
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	55.00	605.00
Leela Palaces and Resorts Limited	40.00	50.50
Inter corporate deposit received		
Schloss Udaipur Private Limited	535.00	-
Schloss Chennai Private Limited	526.00	-
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	1,245.72	-
Inter corporate deposit settlement (Paid/ (Received))		
Leela Palaces and Resorts Limited	(40.00)	(50.50)
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	(660.00)	-
Schloss Chennai Private Limited	421.00	-
Schloss HMA Private Limited	(600.00)	-
Interest expense on inter corporate deposit		
Schloss Udaipur Private Limited	19.25	-
Schloss Chennai Private Limited	17.55	-
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	105.90	-
Interest (income) on inter corporate deposit		
Schloss HMA Private Limited	(23.18)	(75.21)
Leela Palaces and Resorts Limited	(1.44)	(1.33)
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	(17.99)	(27.19)
Interest expense on CCPS		
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	97.90	-

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Revenue		
Arliga India Office Parks Private Limited	0.10	0.28
Brookprop Property Management Services Pvt Ltd	0.40	2.90
Brookfield Advisors India Pvt Ltd	9.28	0.01
Brookprop Management Services Pvt Ltd	0.59	-
Brookfield India Real Estate Trust	0.07	-
Elevar Digitel Infrastructure Ltd	0.08	-
Equinox Business Parks Pvt. Ltd.	0.00	-
Other Income		
Summitt Digitel Infrastructure Ltd	1.07	1.05
Rostrum Realty Private Limited	0.27	-
Mountainstar India Office Parks Private Limited	0.01	-
Kairos Properties Private Limited	0.05	-
Candor Kolkata One Hi Tech Structures	0.02	-
Candor India Office Parks Pvt. Ltd.	0.44	-
Purchase of Investment		
Project Ballet Udaipur Holdings (DIFC) Private Limited	4,139.86	-
BSREP III Joy two holdings (DIFC) Limited	6,983.18	-
Managerial remuneration *		
Mr. Anupam Das Gupta	19.56	17.65

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

36 **Related party disclosures (Continued)**

(c) Outstanding balances

Particulars	As at 31 March 2025	As at 31 March 2024
Trade payables (Including accruals)		
Schloss HMA Private Limited	116.01	203.49
Schloss Chennai Private Limited	-	1.82
Tulsi Palace Resort Private Limited	0.21	4.97
Schloss Udaipur Private Limited	-	7.00
Trade receivable		
Schloss Gandhinagar Private Limited	-	0.04
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	28.04	0.80
Schloss Udaipur Private Limited	24.66	-
Schloss Chennai Private Limited	0.60	-
Summitt Digitel Infrastructure Ltd	0.02	0.07
Brookprop Management Services Pvt Ltd	-	3.20
Brookprop Property Management Services Pvt Ltd	-	
Rostrum Realty Private Limited	0.06	
Elevar Digitel Infrastructure Private Limited	0.03	
Brookfield Advisors India Pvt Ltd	0.21	
Inter corporate deposit given		
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	-	605.00
Schloss HMA Private Limited	-	600.00
Leela Palaces and Resorts Limited		
Interest receivable on inter corporate deposit		
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")	-	24.47
Leela Palaces and Resorts Limited	-	1.20
Schloss HMA Private Limited	-	67.87
Inter corporate deposit received		
Schloss Udaipur Private Limited	535.00	-
Schloss Chennai Private Limited	105.00	-
Schloss Bangalore Private Limited	1,245.72	
Interest payable on inter corporate deposit		
Schloss Udaipur Private Limited	17.32	-
Schloss Chennai Private Limited	5.72	-
Schloss Bangalore Private Limited	52.82	
Equity component of CCPS		
Schloss Bangalore Limited	9,969.96	
Liability component of CCPS		
Schloss Bangalore Limited	-	
Other receivables		
Schloss Bangalore Limited	22.46	-
Interest accrued but not due on 10.50% unsecured compulsorily convertible debentures		
BSREP III India Ballet I Pte. Ltd.	-	1,567.04
Purchase consideration payable		
Project Ballet Udaipur Holdings (DIFC) Private Limited	-	5,360.00

(d) Corporate guarantee

Company's intermediate holding company i.e. BSREP III India Ballet Holdings (DIFC) Limited (from 31 March 2022), BSREP III India Ballet Pte. Ltd. (upto 30 March 2022), fellow subsidiaries i.e. Schloss HMA Private Limited (upto 28 March 2025) and Leela Palaces and Resorts Limited (upto 28 March 2025) has given corporate guarantee and fellow subsidiaries also created charge over their total assets for the term loan facility availed by the Company.

(e) Other Security

Company's fellow subsidiaries, i.e Leela Palace Resorts Limited have extended the mortgage on the land for the term loan availed by the Company.
Further, there is pledge of 30% shares of the Company held by Schloss Bangalore Limited., Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.

(f) Names of Related parties where control exists

Schloss Bangalore Limited (Holding Company - w.e.f 31 May 2024), BSREP III India Ballet I Pte. Ltd.(Holding Company till 30 May 2024), BSREP III India Ballet Holdings (DIFC) Ltd (Intermediate Holding Company - w.e.f 31 May 2024), BSREP III India Ballet Pte. Ltd. (Intermediate Holding Company till 30 May 2024) and Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.) (Ultimate controlling party)

(g) 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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37 Investment in subsidiaries

Pursuant to respective share purchase agreements entered on 31 May 2024, Schloss Chanakya Limited (the 'acquirer') has obtained control over the following companies (together referred as "acquiree entities") from their respective shareholders for cash consideration mentioned below. Schloss Chanakya Limited has accordingly become the holding company for all the acquiree entities on 31 May 2024.

Name of the Company	Name of the seller	Nature of Business	No of equity shares to be acquire	% of Equity stake acquired	Expected purchase consideration
Schloss Udaipur Private Limited	Project Ballet Udaipur Holdings (DIFC) Private Limited,	Hospitality	51,07,142	100%	4,139.86
Moonburg Power Private Limited ("MPPL") #	BSREP III India Ballet Holdings (DIFC) Limited	Hospitality consultancy services	50,10,000	100%	500.14
Tulsi Palace and Resort Private Limited ("TPRPL")	BSREP III Joy Two Holdings (DIFC) Limited	Hospitality	1,25,75,000	50%	6,483.04
Total purchase consideration payable *			**2,26,92,142**		**11,123.04**

* Under the terms of the respective share purchase agreements, this represents the cash consideration payable towards the equity share capital and compulsory convertible debentures (wherever applicable) of the acquiree companies.

It includes 50,00,000 CCDs which are not getting converted into equity shares.

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 CHANAKYA PRIVATE LIMITED

SCHLOSS CHANAKYA PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2025
(All amounts in Indian rupees in millions, unless stated otherwise)

38 **Ratio Analysis and its elements***

Ratio Analysis	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	%Change	Reason for
Current Ratio	Current Assets	Current Liabilities excluding current maturities of long-term borrowings	0.29	0.86	-67%	Reduction in Current Ratio is due to reduction in the short term advance and increase in borrowing.
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	0.84	4.91	-83%	Reduction is due to increase in equity on conversation of CCD's
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term	0.57	1.08	-47%	Reduction is due to reduction in EBIDTA
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	(0.02)	(0.11)	-80%	Mainly due to reduction in the loss for the
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	2.86	2.71	5%	Not Applicable
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	18.99	29.42	-35%	Reduction is mainly due to higher receivable in current year
Trade Payables Turnover Ratio	Net Purchases	Average Trade Payables	0.86	0.67	29%	Increase in mainly due to higher consumption (Purchase) and reduction in the avg payable.
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	-2.30	12.24	-119%	Reduction is due to change in Working capital majorly increase in short term borrowing
Net Profit Ratio	Net Profit after tax	Net Sales	-0.07	-0.13	-47%	Reduction due to increase in Revenue in Current year and decrease in loss as compared to previous year
Return on Capital employed	EBIT	Capital Employed	0.04	0.06	-34%	Reduction is due to increase in capital employed mainly increase in short term

The company has not presented the below ratio
a. Return on investments: since the Company does have any return on funds/investment

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

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

i) As on 31 March 2025 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
ii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
iii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
iv) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
viii) 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 period 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.

41 **Subsequent events:**
Pursuant to a share subscription agreement dated 07 April 2025, the Company and its holding company has subscribed 5,000 equity shares of its subsidiary, Leela BKC Holdings Private Limited (formerly known as Transition Cleantech Services Private Limited) for Rs. 0.05 millions and another shareholder subscribed 15,000 equity shares in the said subsidiary for Rs. 0.15 millions consequently reducing the stake of the Company in the said subsidiary to 50%.These shares were allotted to respective subscribers on 18 April 2025.

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

J.H.Sheth

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 06 May 2025

For and on behalf of the board of directors of
Schloss Chanakya Private Limited
CIN: U55100DL2019PTC347362

SCHLOSS CHANAKYA PRIVATE LIMITED

Anurag Bhatnagar	**Ravi Shankar**	**Subhasish Dutta**	**Anuja Dube**
Director	*Director*	*Chief Financial Officer*	Company Secretary
DIN: 07967035	DIN: 079667039		Membership Number: ACS 44198
Place: Mumbai	Place: Mumbai	Place: New Delhi	Place: Mumbai
Date: 06 May 2025	Date: 06 May 2025	Date: 06 May 2025	Date: 06 May 2025