

Independent Auditor's Report

To the Members of Schloss Chennai Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Schloss Chennai 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 income, 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.

Registered Office:

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

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

Independent Auditor's Report (Continued)

Schloss Chennai Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Continued)

Schloss Chennai Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, 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 modifications 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 37 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 43(iv) 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 43(v) 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

Independent Auditor's Report (Continued)

Schloss Chennai Private Limited

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

Tarun Kinger
Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 105003

ICAI UDIN:25105003BMMAPH3689

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chennai 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 three 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 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 a company, granted unsecured loans to its parent company and 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 loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chennai 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	254.40	-
Fellow Subsidiary	526.00	-
Employees	0.13	1.28
Balance outstanding as at balance sheet date	-	-
Parent Company	105	-
Fellow Subsidiary	0.12	0.12
Employees		

- (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 and loans and 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	780.40
Percentage of loans to the total 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 Chennai 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
Income tax Act, 1961	Tax and interest	0.18	AY 2021-22	Assessing officer	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

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

- (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 subsidiary. 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 or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) 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 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

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

- 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

Tarun Kinger
Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 105003

ICAI UDIN:25105003BMMAPH3689

Annexure B to the Independent Auditor's Report on the financial statements of Schloss Chennai 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 Chennai 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 Chennai 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


Tarun Kinger
Partner

Membership No.: 105003

ICAI UDIN:25105003BMMAPH3689

Place: Mumbai

Date: 06 May 2025

SCHLOSS CHENNAI PRIVATE LIMITED
Balance Sheet as at March 31, 2025

(All amounts in INR millions, unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	3a	10,732.33	10,713.03
Right-of-use assets	4	3.43	4.68
Capital work-in progress	3b	57.92	83.96
Intangible assets	5	2.02	2.72
Financial assets			
(i) Investments	6	0.01	-
(ii) Other financial assets	8	221.79	186.69
Non current tax assets (net)	9	30.28	47.36
Other non-current assets	10	29.39	22.25
Total non-current assets		11,077.17	11,060.69
Current Assets			
Inventories	11	50.88	81.18
Financial assets			
(i) Loans	7	110.72	373.08
(ii) Trade receivables	12	68.65	118.52
(iii) Cash and cash equivalents	13	330.36	38.32
(iv) Bank balances other than cash and cash equivalents	14	148.19	946.41
(v) Other financial assets	8	4.54	6.38
Other current assets	10	96.40	99.99
Total current assets		809.74	1,663.88
TOTAL ASSETS		11,886.91	12,724.57
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	312.39	172.39
Other equity			
- Equity Component of compound financial instruments	16	-	549.14
- Reserves and surplus	16	4,322.78	3,057.94
Total equity		4,635.17	3,779.47
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	5,403.10	7,225.02
(ii) Lease Liabilities	18	0.32	3.87
(iii) Other financial liabilities	19	3.46	2.51
Provisions	20	13.15	8.00
Deferred tax liabilities (net)	31	964.60	698.38
Other non-current liabilities	21	0.52	0.76
Total non-current liabilities		6,385.15	7,938.54
Current liabilities			
Financial Liabilities			
(i) Borrowings	17	584.41	535.21
(ii) Lease liabilities	18	3.36	1.03
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	22		0.89
(b) Total outstanding dues other than (a) above	22	89.58	290.70
(iv) Other financial liabilities	19	40.80	27.65
Contract liabilities	23	89.54	73.64
Other current liabilities	21	56.08	70.72
Provisions	20	2.82	6.71
Total current liabilities		866.59	1,006.55
Total liabilities		7,251.74	8,945.09
TOTAL EQUITY AND LIABILITIES		11,886.91	12,724.57
Corporate Information	1		
Summary of material accounting policies	2		

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Schloss Chennai Private Limited

CIN: U55101DL2019PTC346475


Tarun Kinger
 Partner
 Membership Number: 105003

Place: Mumbai
 Date: May 06, 2025


Anurag Bhatnagar
 Director
 DIN: 07967035


Place: Mumbai
 Date: May 06, 2025


Ravi Shankar
 Director
 DIN: 07967039

Place: Mumbai
 Date: May 06, 2025


Deepa Arvind
 Chief Financial Officer

Place: Chennai
 Date: May 06, 2025


Rahul Pathak
 Company Secretary
 Membership No. A63909

Place: Mumbai
 Date: May 06, 2025



SCHLOSS CHENNAI PRIVATE LIMITED**Statement of profit and loss for the year ended March 31, 2025**

(All amounts in INR millions, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	24	2,314.06	2,156.72
Other income	25	90.21	110.27
Total Income		2,404.27	2,266.99
Expenses			
Cost of materials consumed	26	202.70	207.72
Employee benefit expenses	27	410.13	344.44
Finance costs	28	599.93	732.88
Depreciation and amortisation expense	29	200.26	199.06
Other expenses	30	761.25	705.11
Total expenses		2,174.27	2,189.21
Profit before tax for the year		230.00	77.78
Tax expense :			
-Current Tax	31	-	-
-Deferred Tax charge	31	264.52	58.64
Total Tax Expense		264.52	58.64
(Loss)/Profit after tax for the year		(34.52)	19.14
Other Comprehensive Income/(loss)			
<i>Items that will not be reclassified to Profit and Loss</i>			
Remeasurements of Post Employment Benefit Obligations	34	6.86	(5.03)
Income tax relating to these items	31	(1.73)	1.31
Other comprehensive Income/(loss) for the year, net of tax		5.13	(3.72)
Total comprehensive Income/(loss) for the year		(29.39)	15.42
Earnings per equity share (in rupees):			
Basic earnings per share (in INR) (Face value Rs. 10 each)	39	(1.11)	0.61
Diluted earnings per share (in INR) (Face value of Rs. 10 each)	39	(1.11)	0.61
Corporate information	1		
Summary of material accounting policies	2		

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022


Tarun Kinger
 Partner

Membership Number: 105003

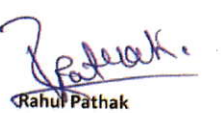
Place: Mumbai

Date: 06 May, 2025

For and on behalf of the board of directors of
 Schloss Chennai Private Limited
 CIN: U55101DL2019PTC346475


Anuraag Bhatnagar
 Director
 DIN: 07967035
Place: Mumbai
Date: May 06, 2025

Deepa Arvind
 Chief Financial Officer
Place: Chennai
Date: May 06, 2025

Ravi Shankar
 Director
 DIN: 07967039
Place: Mumbai
Date: May 06, 2025

Rahul Pathak
 Company Secretary
 Membership No. A63909
Place: Mumbai
Date: May 06, 2025

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax for the year	230.00	77.78
Adjustments for:		
Depreciation and amortisation expenses	200.26	199.06
Finance costs	599.93	732.88
Interest income	(86.18)	(108.56)
Net loss on sale of property, plant and equipment	5.71	6.97
Interest income on income tax refund	(2.96)	-
Net gain on foreign currency transaction and translation (net)	0.19	0.25
Provision / write-off of trade and other receivables	(2.22)	0.73
Operating cash flows before working capital changes	944.72	909.10
Working capital adjustments:		
(Increase)/Decrease in Inventory	30.30	(9.77)
(Increase)/Decrease in receivables	52.09	(24.39)
(Increase) in other financial assets	(0.84)	(10.61)
(Increase)/Decrease in other assets	4.04	(11.25)
Increase/(Decrease) in trade payables	(202.20)	137.54
Increase in other financial liabilities	1.52	1.09
Increase/(Decrease) in other current liabilities	1.02	(34.77)
Increase in Provision	8.11	4.20
Cash generated from operations	838.75	961.14
Income taxes (paid), net	20.04	(26.98)
Net cash flows generated from operating activities (A)	858.79	934.16
Cash flows from investing activities		
Purchase of property, plant and equipments	(187.31)	(68.93)
Inter-corporate loan given to related parties	(780.40)	-
Proceeds from Inter corporate deposit given	1,030.43	44.97
Purchase of investments	(0.01)	-
Proceeds from sale of property, plant and equipments	(0.73)	-
Investment in fixed deposits	(1,907.07)	(1,073.27)
Proceeds from fixed deposits	2,681.71	123.80
Interest received on loan given	62.95	74.85
Interest received	26.72	34.80
Net cash flows generated/(used) in investing activities (B)	926.30	(863.78)
Cash flows from financing activities		
Proceeds from borrowings	96.11	21.59
Repayment of borrowings	(559.70)	(323.03)
Principal payment of lease liabilities	(6.38)	(3.15)
Interest paid on CCD conversion	(470.64)	-
Finance cost paid	(552.43)	(606.30)
Net cash flows (used in) financing activities (C)	(1,493.06)	(910.89)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	292.04	(840.51)
Cash and cash equivalents as at beginning of the year	38.32	878.83
Cash and cash equivalents at the end of the year	330.36	38.32
Cash on hand	0.93	0.78
Balance with banks		
-in current account	78.10	37.54
-deposit with original maturity less than three months	251.33	0.00
Total cash and cash equivalents (Refer note 13)	330.36	38.32

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

Notes:

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7, 'Statement of Cash Flows' notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) amendment rules, 2016.
- (ii) Supplemental information to the cash flow(Refer Note 17)

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership Number: 105003

Place: Mumbai
Date: May 06, 2025

For and on behalf of the board of directors of
Schloss HMA Private Limited
CIN: USS209TNZ019PTC136428

Anuraag Chhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025

Deepa Arvind
Chief Financial Officer

Place: Chennai
Date: May 06, 2025

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025

Rahul Pattnaik
Company Secretary
MNo A63909

Place: Mumbai
Date: May 06, 2025



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

A. Equity Share Capital

Particulars	Notes	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
Balance as at April 1, 2023		172.89
Changes in Equity Share Capital	15	-
Balance as at March 31, 2024		172.89
Changes in Equity Share Capital	15	140.00
Balance as at March 31, 2025		312.89

B. Other Equity

Particulars	Notes	Equity Component of compound financial instruments	Reserves and Surplus				Total
			Securities premium	Retained earnings	Retained earnings - fair value as deemed cost	Other Equity	
Balance as at April 1, 2023		493.47	1,456.29	(2,453.05)	4,039.28	-	3,535.99
Profit for the year		-	-	19.14	-	-	19.14
Other comprehensive (loss) for the year, net of tax		-	-	(3.72)	-	-	(3.72)
Gain on account of modification in terms of compound financial instruments		55.67	-	-	-	-	55.67
Total		549.14	1,456.29	(2,437.63)	4,039.28	-	3,607.08
Balance as at April 1, 2024		549.14	1,456.29	(2,437.63)	4,039.28	-	3,607.08
(Loss)/Profit after tax for the year	16	-	-	(34.52)	-	-	(34.52)
Other comprehensive income for the year, net of tax	16	-	-	5.13	-	-	5.13
Issue of equity shares on conversion of CCD	16a)	(549.14)	1,260.00	-	-	-	1,260.00
Impact of conversion into equity shares	16a)	-	-	-	-	-	(549.14)
Extinguishment of compound financial instruments		-	-	-	-	34.23	34.23
Total		-	1,260.00	(29.39)	-	34.23	715.20
Balance as at March 31, 2025		-	2,716.29	(2,467.02)	4,039.28	34.23	4,322.78

Nature and purposes of reserves

a) Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) Equity component of compound financial instruments

This represents equity portion of Compulsorily Convertible Debentures (CCDs), net of tax. Refer note 17(a) for details on terms of the instrument.

d) Retained earnings - fair value as deemed cost

Retained earnings - fair value as deemed cost represents the change in fair value of property, plant and equipment on the date of transition as per deemed cost exemption adopted by the Company which is non-distributable.

e) Other Equity

The reserve represent loss recorded on transaction with stakeholder on conversion of Compulsory Convertible debentures.

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

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

Terun Kumar
Partner
Membership Number: 105003

Place: Mumbai
Date: May 06, 2025

For and on behalf of the board of directors of
Schloss Chennai Private Limited
CIN: U55101DL2019PTC346475

Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025

Deepa Arvind
Chief Financial Officer

Place: Chennai
Date: May 06, 2025

Rahul Pathak
Company Secretary
Membership No. A63909

Place: Mumbai
Date: May 06, 2025



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

1 Company information

Schloss Chennai Private Limited ("the Company") an Indian subsidiary of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited"), was incorporated on 22 February, 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October, 2019 by acquiring Chennai 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 May 6, 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 and accompanying disclosures and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

– **Useful Lives of Property, Plant and Equipment 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 and 4 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 4 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 30 for further details.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss. Refer Note 31 for further details.

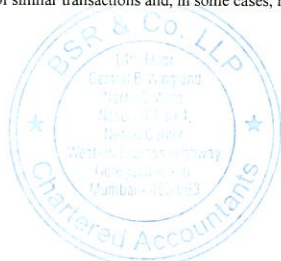
– **Defined Benefit Plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the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

The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. Refer Note 20 for further details.

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

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

- **Contingent Liability:** The management evaluates possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The estimates of outcome and financial effect are determined by the judgement of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. Refer Note 37 for further details.



2.3 Going Concern

The Company has incurred a loss of Rs.34.52 millions during the year ended March 31, 2025, has accumulated losses of Rs. 2467.02 millions and net worth of Rs.4635.17 millions at March 31, 2025 and as of that date, the company's current liabilities exceeded its current assets by Rs.56.85 millions.

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

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

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

2.4 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 non current assets.

All other assets are classified as non-current.

Liabilities

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

- (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.

2.5 Material Accounting Policies

a) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is Indian Rupee.

(ii) Transactions and balances

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

(iii) Subsequent measurement

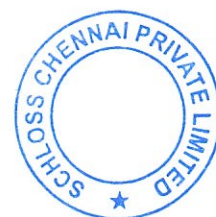
Foreign currency transactions subsequently are accounted using the exchange rates as at that date and difference, if any, between the exchange rates as at the subsequent date and the date of the balance sheet is recognised as income or expense in the Statement of Profit and Loss.

b) Cash and cash equivalents

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

c) Earnings per share

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



d) Revenue recognition and other income

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

Base Management and Incentive Management Fees:

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

Income from operations-

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Other Allied services: In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

Membership Fees: Membership fee income majorly consists of membership fees received from the loyalty programme and Chamber membership fees. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

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

A contract asset viz. Unbilled revenue is recognized in respect of those performance obligations where the control of the goods has been transferred to the buyer or services are provided to the customer, and only the act of invoicing is pending.

A contract liability is recognised where the customer has paid in advance, but the services are yet to be rendered by the Company or the payment exceeds the services rendered.

A deferred revenue is recognised for revenue where performance obligations under the sales contract are to be satisfied.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Space and Shop Rentals

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

Other Income

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

Cash flow statement

e) 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.

f) **Property Plant and equipment**

Property, plant and equipment are stated at cost, 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 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

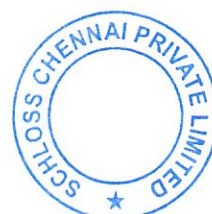
Based on the above, the estimated useful lives of the property, plant and equipment are as follows:

Category of assets	Useful life as per Schedule II (in years)	Useful life as per Technical
Buildings	60 years	60 years
Plant and Machinery	15 years	5 years to 15 years
Plant and Machinery- Windmill	25 years	25 years
Furniture and Fixture	10 years	8 years
Office Equipmenmt	5 years	5 years
Computers	3 years	3 years
Data Processing units	6 years	6 years
Vehicles	6 years	6 years

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.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.



SCHLOSS CHENNAI PRIVATE LIMITED

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

g) Intangible assets

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

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

Category of assets	Useful life (in years)
Computer software	6 years

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.

h) Impairment of assets

Assets that are subject to amortisation or 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 cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

i) Income taxes

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 and does not give rise to equal taxable and deductible temporary differences at the time of the transaction. 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.

The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept tax position taken by the Company. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or the expected value arrived at by the Company which provides a better prediction of the resolution of uncertainty.

Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration and judicial precedent.



SCHLOSS CHENNAI PRIVATE LIMITED

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

j) Employee benefits**Short term employee benefits**

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

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

Long term employee benefits**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans**(Post-employment benefit)**

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

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

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan ("the asset ceiling").

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in Statement of Profit and Loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Other long-term employee benefits**Compensated absences**

The employees can carry forward a portion of the unutilised accrued compensated absences beyond twelve months and utilise it in future service periods or received cash compensation on termination of employment. The Company records obligation for compensated absences in the period in which the employee renders services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the Projected Unit credit method. The discount rates used for determining the present value of the liability is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit & loss.

k) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a weighted average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

l) Provisions, contingent liabilities and contingent assets

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

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

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

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



m) Financial instruments

The company classifies its financial assets in the following measurement categories:

- 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.

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.

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

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 classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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

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.

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.

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

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



SCHLOSS CHENNAI PRIVATE LIMITED

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

n) Leases

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 straight-line basis over the lease term.

Disclosure of lease liabilities and assets in balance sheet:

The Company presents right-of-use assets that do not meet the definition of "investment property" and 'property, plant and equipment' and lease liabilities separately in the balance sheet within 'Financial Liabilities'.

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.

Company as a lessor

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.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

o) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest rate method.



SCHLOSS CHENNAI PRIVATE LIMITED

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

3a Property, plant and equipment

Particular	Building	Freehold land	Plant and Machinery (including windmill)	Furniture and fixtures	Office equipments	Computers	Vehicles	Total
Year ended March 31, 2024								
Gross carrying amount as at April 1, 2023	5,375.75	5,005.61	642.81	7.36	0.23	39.44	33.46	11,104.66
Additions	13.26	-	48.07	12.74	-	0.75	0.99	75.81
Disposals	(6.55)	-	(2.86)	-	-	-	-	(9.41)
Closing gross carrying amount as at March 31, 2024	5,382.46	5,005.61	688.02	20.10	0.23	40.19	34.45	11,171.06
Accumulated depreciation as at April 1, 2023	105.58	-	139.41	0.71	0.13	10.99	8.36	265.18
Depreciation charge during the year	105.97	-	67.64	1.78	0.08	11.47	8.35	195.29
Disposals	(1.31)	-	(1.13)	-	-	-	-	(2.44)
Closing accumulated depreciation as at March 31, 2024	210.24	-	205.92	2.49	0.21	22.46	16.71	458.03
Net carrying amount as at March 31, 2024	5,172.22	5,005.61	482.10	17.61	0.02	17.73	17.74	10,713.03
Year ended March 31, 2024								
Gross carrying amount as at April 1, 2024	5,382.46	5,005.61	688.02	20.10	0.23	40.19	34.45	11,171.06
Additions	50.46	-	147.10	15.31	0.23	5.00	-	218.10
Disposals	-	-	(8.31)	-	-	-	-	(8.31)
Closing gross carrying amount as at March 31, 2025	5,432.92	5,005.61	826.81	35.41	0.46	45.19	34.45	11,380.85
Accumulated depreciation as at April 1, 2024	210.24	-	205.92	2.49	0.21	22.46	16.71	458.03
Depreciation charge during the year	106.44	-	69.71	3.15	0.08	6.04	8.40	193.82
Disposals	-	-	(3.33)	-	-	-	-	(3.33)
Closing accumulated depreciation as at March 31, 2025	316.68	-	272.30	5.64	0.29	28.50	25.11	648.52
Net carrying amount as at March 31, 2025	5,116.24	5,005.61	554.51	29.77	0.17	16.69	9.34	10,732.33
Net block								
As at March 31, 2024	5,172.22	5,005.61	482.10	17.61	0.02	17.73	17.74	10,713.03
As at March 31, 2025	5,116.24	5,005.61	554.51	29.77	0.17	16.69	9.34	10,732.33

Notes:

- (i) Property Plant and Equipment pledged as Security: Refer to Note 17 (a) for information on property, plant and equipment pledged as security by the Company.
(ii) Contractual Obligations: Refer to note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment
(iii) The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

3b

Capital work in progress (Continued)

Particulars	Amount	Total
Balance as at April 1, 2023	61.09	61.09
Additions	98.68	98.68
Asset capitalised during the year	(75.81)	(75.81)
Balance as at March 31, 2024	83.96	83.96
Additions	44.57	44.57
Asset capitalised during the year	(70.61)	(70.61)
Balance as at March 31, 2025	57.92	57.92

Capital work in progress primarily comprises expenditure incurred on Building and plant and machinery.



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

Capital work in progress ageing schedule

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	48.27	9.65	-	-	57.92
Projects temporarily suspended	-	-	-	-	-

As at March 31, 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	48.81	33.65	1.50	-	83.96
Projects temporarily suspended	-	-	-	-	-

Note:

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

4 Leases

a) Company as a lessee

The Company has entered into operating lease arrangements primarily for office premises and staff accommodation. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. These arrangements are normally renewed on expiry, wherever required.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Right-of-use assets		
Opening balance	7.74	-
Additions during the Year	4.49	7.74
Closing balance	12.23	7.74
Accumulated depreciation on Right-of-use assets		
Opening	3.06	-
Additions during the period	5.74	3.06
Closing balance	8.80	3.06
Net Right of use assets	3.43	4.68

Particular	As at March 31, 2025	As at March 31, 2024
Lease liabilities		
Opening Lease Liability:		
Lease liabilities - Current	1.03	-
Lease liabilities - Non Current	3.87	-
Additions during the year	4.49	7.48
Interest on unwinding of lease liabilities	0.67	0.57
Repaid during the year	(6.38)	(3.15)
Closing balance	3.68	4.90
Lease liabilities - Current	3.36	1.03
Lease liabilities - Non Current	0.32	3.87
	3.68	4.90



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

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

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

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation charge of right-of-use assets	29	5.74	3.06
- Staff Accommodation	28	0.67	0.57
Interest expense (included in finance costs)	30	4.62	2.19
Expense relating to short-term leases (included in other expenses)			

(iii) Extension and termination options

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

b) Company as a lessor

The Company has entered into operating leases consisting of shop and building space. These leases have terms of between three and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis. Rental income recognised by the Company during the year is Rs. 2.67 millions (March 31, 2024:Rs.2.55 million)

Future minimum rentals receivable under non-cancellable operating leases as at March 31 are as follows:-

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	1.13	2.33
Between 1 and 2 years	0.67	1.90
Between 2 and 3 years	0.69	1.78
More than 3 years	4.79	6.05

Critical judgements in determining the lease term:

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



SCHLOSS CHENNAI PRIVATE LIMITED

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

5 Other intangible assets

Particulars	Computer software	Total
Year ended March 31, 2024		
Gross carrying amount as at April 1, 2023	4.00	4.00
Additions	-	-
Disposals	-	-
Closing gross carrying amount as at March 31, 2024	4.00	4.00
Accumulated amortisation as at April 1, 2023		
Amortisation charge during the year	0.57	0.57
Disposals	0.71	0.71
Closing accumulated amortisation as at March 31, 2024	1.28	1.28
Net carrying amount as at March 31, 2024	2.72	2.72
Year ended March 31, 2025		
Gross carrying amount as at April 1, 2024	4.00	4.00
Additions	-	-
Disposals	-	-
Closing gross carrying amount as at March 31, 2025	4.00	4.00
Accumulated amortisation as at April 1, 2024		
Amortisation charge during the year	1.28	1.28
Disposals	0.70	0.70
Closing accumulated amortisation as at March 31, 2025	1.98	1.98
Net carrying amount as at March 31, 2025	2.02	2.02



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

6 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Investment in equity instruments of subsidiary (fully paid-up) (measured at cost)		
Unquoted		
4,199 equity shares of Aries Holdings (DIFC) Limited	0.01	-
Total	0.01	-
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	0.01	-
Aggregate amount of impairment in the value of investments	-	-

7 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured considered good, unless otherwise stated:		
Inter corporate Deposits (Refer Note 40)	110.72	373.08
Total	110.72	373.08

Details of loans and advances in the nature of loans granted to related parties (as defined under Companies Act, 2013).

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Repayable on demand		
Fellow subsidiary	110.72	373.08
Total loans	110.72	373.08
% to the total loans outstanding	100.00%	100.00%

Loans are repayable on demand of Rs. 105.00 million including interest accrued of Rs. 5.72 million from companies in which any director is a director or a member details of which are set out below (Rate of interest is 12.50%)(March 31,2024:12.50%)

a) Schloss Chanakya Private Limited

8 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security Deposits		
Unsecured, considered good	48.61	48.18
Bank Deposits with remaining maturity for more than 12 months	172.85	138.18
Margin money deposits	0.33	0.33
Total	221.79	186.69
Current		
Reimbursement receivable from related parties (Refer Note 40)	-	2.36
Insurance Receivable	1.14	1.53
Security Deposits		
Unsecured, considered good	3.15	2.24
Others	0.25	0.25
Total	4.54	6.38

(i) Security deposits are primarily on account of utility deposits and rental agreements. Security deposits given to related parties amounts to Nil.

(ii) Margin money deposit kept with bank is on account of credit exposure.

(iii) Fixed deposit of Rs.172.85 millions (31 March 2024 Rs. 138.18 millions) out of which Rs 5.30 millions is restricted against the borrowings availed by the Company.(Refer Note 17)

9 Non current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance tax and tax deducted at source (net of provisions of Rs. Nil)(March 31,2024: Nil)	30.28	47.36
Total	30.28	47.36

Movement of Non-current tax assets	As at March 31, 2025	As at March 31, 2024
Opening balance	47.36	20.38
Add: taxes paid/(refund received) during the year	(17.08)	26.98
Closing balance	30.28	47.36



10 Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Prepaid Expenses	3.85	1.09
Capital advances	9.36	1.77
Lease equalisation reserve	16.18	17.01
Other non current assets	-	2.38
Total	29.39	22.25
Current		
Balances with Government authorities	50.02	41.61
Advance to employees	0.28	0.75
Advance to Supplier	8.25	17.00
Prepaid expenses	37.85	40.63
Total	96.40	99.99

11 Inventories

(At lower of cost and net realisable values)

Particulars	As at March 31, 2025	As at March 31, 2024
Food and beverages	42.07	43.39
Stores and operating supplies	8.81	37.79
	50.88	81.18

Notes:

- 1) The amount of Inventories pledged as Security for Liabilities (Refer Note 17- Borrowings)
- 2) Inventory written down during the year Rs. Nil.(Previous year:Nil)

12 Trade Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers - billed	55.60	112.60
Trade receivables from contract with customers -billed - related parties (Refer note 40)	3.53	0.23
Trade receivables from contract with customers – unbilled^	9.52	5.69
Trade Receivables - credit impaired	1.17	3.39
Less: Loss allowance	(1.17)	(3.39)
Total trade receivables	68.65	118.52
Break-up of security details		
Trade receivables considered good - unsecured	68.65	118.52
Trade receivables – credit impaired	1.17	3.39
Total	69.82	121.91
Less: Loss allowance	(1.17)	(3.39)
Total trade receivables	68.65	118.52

(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.

(iii) For related party balances refer Note 40.

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

Loss Allowance for credit impaired

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	3.39	2.66
Add: Allowance during the year	(2.22)	0.73
Less: Bad debt Written off	-	-
Closing Balance	1.17	3.39



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

13 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.93	0.78
Balances with banks		
- in current accounts	78.10	37.54
- deposit with original maturity less than 3 months	251.33	-
Total cash and cash equivalents	330.36	38.32

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

14 Bank balances other than cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Deposits with banks with original maturity more than 3 months but less than 12 months	148.19	946.41
Total bank balances other than cash and cash equivalents	148.19	946.41

Note:

(i) Fixed deposit of Rs. 148.19 millions (March 31, 2024 Rs.698.27 millions) out of which Rs. 148.19 millions is restricted against the borrowings availed by the Company's related party, Schloss Chanakya Private Limited.



15 Equity share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
31,250,000 (March 31, 2024:26,750,000) equity shares of Rs.10 each	312.50	267.50
Issued, subscribed and paid up		
31,239,130 (March 31, 2024:17,239,130) equity shares of Rs.10 each	312.39	172.39
Total	312.39	172.39

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,72,39,130	172.39	1,72,39,130	172.39
Shares issued on conversion of CCD's (Refer Note 17)	1,40,00,000	140.00	-	-
At the end of the year	3,12,39,130	312.39	1,72,39,130	172.39

(b) Rights, preference and restrictions attached to equity shares

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

(c) Shares held by holding company / ultimate holding company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each fully paid-up				
Project Ballet Chennai Holdings (DIFC) Private Limited, holding company	-	-	1,72,39,129	172.39
BSREP III India Ballet Holdings (DIFC) Limited, intermediate holding company	-	-	1	-
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited) (w.e.f. May 31, 2024)	3,12,39,124	312.39	-	-
Schloss HMA Private Limited	1	-	-	-
Schloss Chanakya Private Limited	1	-	-	-
Leela Palaces and Resorts Limited	1	-	-	-
Schloss Tadoba Private Limited	1	-	-	-
Schloss Gandhinagar Private Limited	1	-	-	-
Schloss Udaipur Private Limited	1	-	-	-
	3,12,39,130	-	1,72,39,130	172.39

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of Rs. 10 each fully paid-up				
Project Ballet Chennai Holdings (DIFC) Private Limited, holding company	-	-	1,72,39,129	99.99
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited) (w.e.f. May 31, 2024)	3,12,39,124	99.99	-	-
	3,12,39,124	99.99	1,72,39,129	99.99

(e) Disclosure of Shareholding of Promoters

Name of the promoter and promoter group	As at 31 March 2025		As at 31 March 2024		Change in % of Holding
	No. of shares	% of Holding	No. of shares	% of Holding	
Project Ballet Chennai Holdings (DIFC) Private Limited	-	-	1,72,39,129	100.00%	-100%
BSREP III India Ballet Holdings (DIFC) Limited	-	-	1	0.00%	100%
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	3,12,39,124	100.00%	1,72,39,130	100.00%	-

Note: Pursuant to the share purchase agreement entered on May 31, 2024, Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") has acquired control of the Company by purchasing 100% of the equity shares from Project Ballet Chennai Holdings (DIFC) Private Limited. Accordingly, Schloss Bangalore Limited has become the holding company on May 31, 2024.

Refer Note 17A.4 for terms of conversion of Compulsorily Convertible Debentures into equity shares.

- (vi) The company has not issued any bonus shares, shares for consideration other than cash and neither bought back any shares from the date of incorporation.
(vii) There are no dividend declared during the year.



16 Other Equity

	As at March 31, 2025	As at March 31, 2024
Securities premium	2,716.29	1,456.29
Retained earnings	(2,467.02)	(2,437.63)
Retained earnings - fair value as deemed cost	4,039.28	4,039.28
Other Equity	34.23	-
Total	4,322.78	3,057.94

a) Equity Component of compound financial instruments

	As at March 31, 2025	As at March 31, 2024
Opening balance	549.14	493.47
Add: Net gain on account of modification of terms of financial instruments	-	55.67
Less: Conversion of CCD's	(549.14)	-
Closing balance	-	549.14

For key terms of the instrument refer note 17(A.4)

b) Securities premium

	As at March 31, 2025	As at March 31, 2024
Opening balance	1,456.29	1,456.29
Addition during the year	1,260.00	-
Closing balance	2,716.29	1,456.29

c) Retained earnings

	As at March 31, 2025	As at March 31, 2024
Opening balance	(2,437.63)	(2,453.05)
Net profit/(Loss) for the Year	(34.52)	19.14
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligations, net of tax	5.13	(3.72)
Closing balance	(2,467.02)	(2,437.63)

d) Retained earnings - fair value as deemed cost

	As at March 31, 2025	As at March 31, 2024
Opening balance	4,039.28	4,039.28
Closing balance	4,039.28	4,039.28

e) Other Equity

	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Extinguishment of compound financial instruments	34.23	-
Closing balance	34.23	0.00

Nature and purpose of reserves:

i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

ii) Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

iii) Retained earnings - fair value as deemed cost

Retained earnings - Fair value as deemed cost represents the change in fair value of PPE on the date of transition as per deemed cost exemption adopted by the Company. The gain on fair valuation is part of retained earnings and is not available for distribution.

iv) Equity component of compound financial instrument

This represents the equity portion of compulsory convertible debentures issued to Project Ballet Chennai Holdings (DIFC) Pvt. Limited, holding company. (Refer Note 17(a))

v) Other Equity

The reserve represent loss recorded on transaction with stakeholder on conversion of Compulsory Convertible debentures.



(Rupees in millions)

17 Borrowings

	As at March 31, 2025	As at March 31, 2024
Non-current		
Secured		
Term loans		
- From banks		
Rupee Term Loan (Refer note A)	5,142.31	5,136.81
Less : Current maturities of long-term borrowings (included in current borrowings)	(132.83)	(91.28)
	5,009.48	5,045.53
 Working Capital Term Loan(Refer note A)	845.20	1,311.94
Less : Current maturities of long-term borrowings (included in current borrowings)	(451.58)	(443.93)
	393.62	868.01
 Liability component of compound financial instrument		
10.50% unsecured compulsorily convertible debentures	-	1,311.48
Total	5,403.10	7,225.02
 Current		
Current maturities of long-term borrowings	584.41	535.21
Total	584.41	535.21

A.1(a) Term loan from bank

The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the Company and co-borrowers i.e. Schloss Bangalore Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. March 29, 2025) and Leela Palaces and Resorts Limited (w.e.f. March 29, 2025) for a total amounting to Rs. 27,500.00 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property acquired (Rs. 2,000 millions) fully fungible amongst each of the co-borrowers and the Company's hotel property in Bangalore. The door to door tenure of the loan is 15 years including moratorium of one year. The loan is repayable in 56 quarterly structured installments beginning 31 December 2020. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to annual reset, plus spread of 0.10%. The Company has available facility of Rs.Nil (March 31, 2024:Rs.5038.34 millions) and rate of interest as on March 31, 2025 is 9.10 % p.a. (March 31, 2024 8.65%) with monthly rests.

With the gradual drawdown of capex in the past three years the individual limits set for the company and Schloss Udaipur Private Limited got exhausted and an application to the lender was made for revision in the individual limits. However, due to the system limitation at the end of the lender, the same cannot be revised and accordingly a cross utilisation of capex limit was done during the period. The Company has been 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 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, 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 March 28, 2025.
- (iii) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited, intermediate holding company, situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations from March 31, 2022.
- (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 short term borrowings.

(d) Moratorium on interest:

Company has availed the moratorium facility for interest on term loan for the period March, 2020 to August 2020 which has been further capitalised into term loan w.e.f. October 1, 2020 amount Rs. 203.03 millions(March 31 2024:Rs. 203.03 millions)

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

(f) Loan covenants: Under the terms of the borrowing facilities, all the co-borrowers including the HMA entity are required to maintain the following covenants:

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

Corporate Term Loan:

The lender has granted a corporate term loan facility under the Agreement dated February 02, 2024 to the Company and co-borrowers i.e. Schloss Bangalore Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. March 29, 2025) and Leela Palaces and Resorts Limited (w.e.f. March 29, 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 Schloss Chanakya Private Limited, 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 resets.

A.1(b)

(a) Primary Security details: Exclusive charge on plant and machinery financed out of proposed corporate term loan of Rs. 1,500.00 millions.

(b) Collateral security details: Extension 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 March 28, 2025)
- Leela Palaces and Resorts Limited (upto March 28, 2025)



- A.2 Guaranteed Emergency Credit Line 2.0 (GECL 2.0)** - The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 2.0 (GECL 2.0) facility of Rs 900.00 millions on February 17, 2021 to the Company to augment net working capital requirements to meet operational liabilities. The door to door tenure of the loan is 5 years including moratorium of principal of one year. The loan is repayable in 48 quarterly structured instalments beginning April 30, 2022. The loan carries interest rate linked to lender's half yearly marginal cost of funds based lending rate ("MCLR"), plus 0.20% subject to annual reset (March 31 2024: lending rate ("MCLR"), plus 1% subject to annual reset).

(a) Primary security:

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

(b) Other security:

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

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

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

- A.3 Guaranteed Emergency Credit Line 3.0 (GECL 3.0)** - The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 3.0 (GECL 3.0) facility of Rs. 900 millions on December 9, 2021 to the Company to augment net working capital, requirements to meet operational liabilities. The door to door tenure of the loan is 6 years including moratorium of principal of two years. The loan is repayable in 48 quarterly structured instalments 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 (March 31 2024: lending rate ("MCLR"), plus 1%, subject to annual reset).

(a) Primary security:

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

(b) Other security:

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

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

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

(d) The Company has available working capital loan facility of Rs. 410.86 millions as on March 31, 2025.

A.4 Compulsory Convertible Debentures:

The Company had issued 10.50% p.a. interest bearing 14,000,000 compulsory convertible debentures ("CCDs") to Project Ballet Chennai Holdings (DIFC) Private Limited having face value of Rs. 100 each and having term of 15 years. These CCDs carries 10.50% p.a. coupon rate. The CCD holder shall be entitled to interest on the principal amount of CCDs outstanding at a rate of 10.50 % per annum compounded on a yearly basis, until conversion of the CCDs.

(a) Conversion terms:

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

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

(ii) 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.1 and A.2) above, interest on the CCDs shall be accrued but cannot be paid by the Company until all the obligations under Common Facility Agreement are paid 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. Liability component is recorded as present value of cash outflows towards interest portion and the residual amount after deducting the liability component from the gross value of the instrument is recorded as equity component post deferred tax adjustment (refer note 15).

Modification in terms of Compulsorily Convertible Debentures (CCDs): Company entered into agreement dated September 28, 2023 with CCD holder for alteration of the CCD terms. As per terms the CCD holder shall be entitled to interest on principal amount at the rate of 10.50 % per annum till March 2029 and henceforth it will be 12.5% per annum, compounded on yearly basis until conversion. Company accounted the modification as substantial modification and recognised the gain of Rs 55.67 millions in other equity.

- (b) Extinguishment of CCDs:** Pursuant to share purchase agreement dated May.31, 2024 entered between Project Ballet Chennai Holdings (DIFC) Private Limited, the holder of the compulsorily convertible debentures ("CCD") had requested for the conversion of those CCDs on May 31, 2024. Accordingly the group has issued 1,40,00,000 equity share of Rs.10 each and recorded security premium of Rs.90 upon conversion during the year ended March 31, 2025.

Net Debt Reconciliation

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

	As at March 31, 2025		As at March 31, 2024	
Borrowings		5,987.51		7,760.22
Lease liabilities		3.68		4.90
Cash and cash equivalents		(330.36)		(38.32)
Total		5,660.83		7,726.80

	Borrowings	Lease liabilities	Cash and cash equivalents	Total
Net debt as at April 1, 2023	7,991.43		878.83	7,112.60
Interest expense	732.87	0.57		733.44
New leases		7.48		7.48
Cash flows	(302.11)	(3.15)	(840.51)	535.25
Gain on account of modification in the term of compound financial instruments	(55.67)			(55.67)
Interest paid	(606.30)			(606.30)
Net debt as at April 1, 2024	7,760.22	4.90	38.32	7,726.80
Interest expense	552.43	0.67	-	553.10
New leases	-	4.49	-	4.49
Cash flows	(463.59)	(6.38)	(292.04)	(762.01)
Impact of CCD modification	(840.75)	-	-	(840.75)
Interest paid	(1,020.80)		-	(1,020.80)
Net debt as at March 31, 2025	5,987.51	3.68	(330.36)	5,660.83



18 Lease liability

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liability -Non Current (Refer Note 4)	0.32	3.87
Lease Liability -Current (Refer Note 4)	3.36	1.03
Total	3.68	4.90

19 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current		
Security Deposit (Refer Note 40)	3.46	2.51
Total	3.46	2.51
Current		
Capital Creditors	12.34	-
Employee dues payable	28.46	27.65
Total	40.80	27.65

Security deposits received includes Rs. 0.25 millions from related parties(March 31, 2024:0.25millions)

20 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for:		
- Compensated absences	7.36	5.60
- Gratuity	5.78	2.40
Total	13.15	8.00
Current		
Provision for:		
- Compensated absences	0.72	0.27
- Gratuity	2.10	6.44
Total	2.82	6.71

21 Other Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Deferred rental income	0.52	0.76
Total	0.52	0.76
Current		
Statutory Dues Payable:*	56.08	70.72
Total	56.08	70.72

*Includes TDS, PF,ESIC,VAT and GST

22 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
- Total Outstanding dues of micro enterprises and small Enterprises	-	0.89
- Total Outstanding dues of creditors other than micro enterprises and small Enterprises	46.92	262.70
Trade payables - Related Parties	26.51	-
Trade payables - Unbilled	16.15	28.00
Total trade payables	89.58	291.59

Ageing of trade payables as at March 31, 2025

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
Micro and small enterprises	-	-	-	-	-	-
Others	16.15	71.73	1.70	-	-	89.58
Disputed trade payables						
Micro and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	16.15	71.73	1.70	-	-	89.58

Ageing of trade payables as at March 31, 2024

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
Micro and small enterprises	-	0.89	-	-	-	0.89
Others	28.00	262.70	-	-	-	290.70
Disputed trade payables						
Micro and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	28.00	263.59	-	-	-	291.59

Terms and conditions of the above financial liabilities:

- (i) For terms and condition with related parties, refer note 40.
(ii) For explanations on the Company's credit risk management processes, refer to Note 33.

Outstanding Dues to Micro and Small Enterprises

Particulars	As at March 31, 2025	As at March 31, 2024
-Principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	-	0.89
-Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
-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 *	-	-
-Further interest remaining due and payable for earlier years	-	-

Terms and conditions of the above financial liabilities:

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.
Interest due and payable towards suppliers registered under MSMED Act, for payments already made amounts to Rs.Nil (March 31, 2024 Rs. Nil).

23 Contract liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Advance from customers (Refer note 24)	84.16	70.63
Deferred income	5.38	3.01
Total	89.54	73.64



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

24 Revenue from operations

A) Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Sale of products:		
Food and beverages revenue	1,093.95	1,055.60
(b) Sale of services:		
Room income	1,120.45	1,017.00
Other allied services (laundry income, airport transfers, membership etc.)	99.66	84.12
Total	2,314.06	2,156.72

B) Disaggregated revenue information

Disaggregation of revenue

	For the year ended March 31, 2025		For the year ended March 31, 2024	
	At a point in time	Over time	At a point in time	Over time
Room Revenue	-	1,120.45	-	1,017.00
Revenue from food and beverages	1,093.95	-	1,055.60	-
Other allied service (laundry income, airport transfers, membership etc.)	97.30	2.36	76.12	8.00
	1,191.25	1,122.81	1,131.72	1,025.00
Revenue by Region				
India		2,314.06		2,156.72
Outside India		-		-
Total revenue from contracts with customers	-	2,314.06	-	2,156.72

C) Contract Balances

	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade Receivables (Refer Note 12)	68.65	118.52
Contract Liabilities		
Advance from customers (Refer Note 23)	84.16	70.63
Deferred income (Refer Note 23)	5.38	3.01

Notes :

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

(ii) 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.73.64 millions and Rs 118.36 millions against opening balance of contract liabilities for the year ended March 31, 2025 and March 31, 2024 respectively.

D) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	2,314.06	2,156.72
Adjustments		
Sales return/ Refund	-	-
Discount	-	-
Revenue from contracts with customers	2,314.06	2,156.72

E) Performance obligation

(i) Food and beverages revenue

The performance obligation is satisfied upon the delivery of the foods and beverage.

(ii) Room income

The performance obligation is satisfied when the room is available for accommodation to the customers.

(iii) Other allied services (laundry income, airport transfers, membership etc.)

The performance obligation is satisfied when the services is rendered to the customer.

25 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Other income:		
Interest income on financial assets recognised at amortised cost:		
- Deposits with banks	32.60	60.90
- Security deposits	0.25	0.06
- Inter-corporate deposits	50.62	47.60
- Income tax refund	2.96	-
Miscellaneous Income	3.78	1.71
Total	90.21	110.27



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

26 Consumption of food and beverages

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year (Refer Note 11)	43.39	28.49
Add: Purchases	201.38	222.62
Less: Inventory at the end of the year (Refer Note 11)	42.07	43.39
Total consumption of food and beverages	202.70	207.72

27 Employee benefit expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	341.39	286.93
Contribution to provident fund and other funds (Refer note 34)	16.19	15.28
Staff welfare expenses	42.86	38.14
Gratuity (Refer note 34)	7.43	1.50
Leave compensation	2.26	2.59
Total employee benefit expenses	410.13	344.44

Code on Social Security, 2020

The date of implementation of the Code on Social Security, 2020 ('the Code') relating to employee benefits is yet to be notified by the Government and when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The Company will assess the impact of the Code and give effect in the financial results when the Code and Rules thereunder are notified.

28 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on:		
- Lease liability	0.67	0.57
- Term loan	553.77	585.46
- Security deposits received	0.24	0.24
- Liability component of compound financial instruments	44.25	146.30
Other borrowing costs	1.00	0.31
Total finance costs	599.93	732.88

29 Depreciation and amortisation expenses

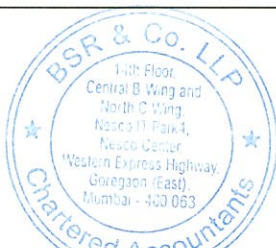
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation and amortization expense :-		
Property, Plant & Equipment (Refer note 3 (a))	193.82	195.29
Intangible asset (Refer note 5)	0.70	0.71
Right-of-use asset (Refer note 4)	5.74	3.06
	200.26	199.06

30 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and operating supplies	64.92	67.80
Power and fuel	104.97	100.03
Rent (Refer note 4)	4.62	2.19
Repairs and maintenance		
- buildings	41.17	43.12
- plant and machinery	16.88	20.14
- others	25.90	20.51
Insurance	9.97	9.46
Communication	3.94	4.18
Travelling and conveyance	11.75	7.77
Guest transport	11.57	14.60
Reservation fee	15.77	12.15
Sales and credit card commission	70.14	60.93
Business promotion	96.41	80.42
Management fees (Refer note 40)	142.32	135.39
Legal and professional fees	15.36	3.40
Payment to auditor's (Refer note below)	2.10	2.10
Provision / write-off of trade and other receivables (Refer note 12)	(2.22)	0.73
Rates and taxes	42.90	43.73
Net loss on foreign currency transaction and translation (net)	0.19	0.25
Net loss on sale of property, plant and equipment	5.71	6.97
Miscellaneous expenses	76.88	69.24
Total other expenses	761.25	705.11

Details of payments to auditors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor:		
- Audit fee	2.10	2.10
Total payment to auditors	2.10	2.10



31 Taxation

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

(a) Income tax expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit or loss		
Current tax on profit for the year	-	-
Current income tax charge	0.00	0.00
Deferred tax:		
Relating to origination and reversal of temporary differences	264.52	58.64
Income tax expense reported in the statement of profit or loss	264.52	58.64
OCI section - Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	1.73	(1.31)
Income tax expense (income) charged to OCI	1.73	(1.31)

B: Income Tax Balances

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax liability	964.60	698.38
Non current tax asset	30.28	47.36

C: Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit from operations before income tax expense	230.00	77.78
Tax rate	25.18%	26.00%
Tax at the tax rate	57.90	20.22
Reversal of previously recognised deferred tax assets on business losses	195.48	0
Tax on CCD	11.14	38.42
Income tax expense	264.52	58.64

(c) Deferred tax assets (net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
Borrowings	50.57	47.85
Unabsorbed depreciation / business loss	132.66	407.41
Lease Liabilities	0.93	1.27
Total:	184.15	456.53
Deferred tax liability		
Gratuity and Leave Encashment	2.16	(0.17)
Right of use assets	(0.86)	(1.22)
Property plant and Equipment	(1,146.03)	(1,153.41)
Others	(4.01)	(0.11)
Total:	(1,148.74)	(1,154.91)
Net Total:	(964.60)	(698.38)

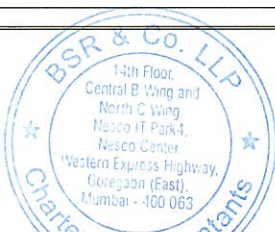
In the absence of reasonable certainty, Deferred tax asset on account of unabsorbed depreciation / business loss has been recognised to the extent it can be realised against reversal of deferred tax liability.

Movement in Deferred Tax for the year ended March 31, 2025

	Balance as on April 1, 2024	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge	Balance as on March, 31 2025
Deferred tax assets				
Borrowings	(47.85)	(2.72)	-	(50.57)
Unabsorbed depreciation / business loss	(407.41)	274.75	-	(132.66)
Lease Liabilities	(1.27)	0.34	-	(0.93)
Deferred tax liability				
Gratuity and Leave Encashment	0.17	(4.05)	1.73	(2.16)
Property plant and Equipment	1,153.41	(7.38)	-	1,146.03
Right of use assets	1.22	(0.36)	-	0.86
Others	0.11	3.90	-	4.01
Total deferred tax liabilities	698.38	264.49	1.73	964.60

(d) Movement in Deferred Tax for the year ended March 31, 2024

	Balance as on April 1, 2024	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge	Balance as on March, 31 2024
Deferred tax assets				
Borrowings	(47.43)	(0.42)	-	(47.85)
Unabsorbed depreciation / business loss	(449.07)	41.66	-	(407.41)
Lease Liabilities	0.00	(1.27)	-	(1.27)
Deferred tax liability				
Gratuity and Leave Encashment	1.89	-0.41	(1.31)	0.17
Property plant and Equipment	1,135.25	18.16	-	1,153.41
Right of use assets	-	1.22	-	1.22
Others	0.41	-0.30	-	0.11
Total deferred tax liabilities	641.05	58.64	(1.31)	698.38



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

(All amounts in INR millions, unless otherwise stated)

32 Fair Value Measurement
(i) Financial instruments by category
As at March 31, 2025

	FVTPL	FVOCI	Carrying amount	
			Amortised cost	Total carrying value
Financial assets				
Loans	-	-	110.72	110.72
Investments	-	-	0.01	0.01
Trade receivables	-	-	68.65	68.65
Cash and cash equivalents	-	-	330.36	330.36
Bank balances other than cash and cash equivalents	-	-	148.19	148.19
Other financial assets	-	-	226.33	226.33
				-
Total financial assets	-	-	884.26	884.26
Financial liabilities				
Borrowings	-	-	5,987.51	5,987.51
Trade payables	-	-	89.58	89.58
Lease liabilities	-	-	3.68	3.68
Other financial liabilities	-	-	40.80	40.80
Total financial liabilities	-	-	6,121.57	6,121.57

As at March 31, 2024

	FVTPL	FVOCI	Carrying amount	
			Amortised cost	Total carrying value
Financial assets (Level 3)				
Loans	-	-	373.08	373.08
Trade receivables	-	-	118.52	118.52
Cash and cash equivalents	-	-	38.32	38.32
Bank balances other than cash and cash equivalents	-	-	946.41	946.41
Other financial assets	-	-	193.07	193.07
				-
Total financial assets	-	-	1,669.40	1,669.40
Financial liabilities (Level 3)				
Borrowings	-	-	7,760.23	7,760.23
Trade payables	-	-	291.59	291.59
Lease liabilities	-	-	4.90	4.90
Other financial liabilities	-	-	30.16	30.16
Total financial liabilities	-	-	8,086.88	8,086.88

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, loan 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 Company 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 inter-corporate deposit is having fair value equivalent to carrying amount as it is repayable on demand and classified as current financial liability.

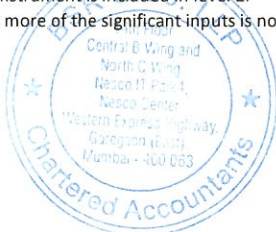
The current lending rate and the rate used in determination of fair value at inception for security deposits, compound financial instruments are not significantly different. Accordingly, the fair value and carrying value for security deposits and compound financial instrument are same.

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.



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

33 Financial Risk Management

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

Finance team and experts of respective business divisions provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- Protect the Company's financial results and position from financial risks
- Maintain market risks within acceptable parameters, while optimising returns; and
- Protect the Company's financial investments, while maximising returns.

This note explains the sources of risk which the Company is exposed to and how the Company 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 loans given to related party, trade receivables, cash and bank balance and other financial assets.

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.

Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions, credit risk on them is therefore insignificant.

With respect to other financial assets namely security deposits, 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 are evaluated to be immaterial for the Company.

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 also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The carrying amounts of trade receivables as disclosed in note no 12 represent the maximum credit risk exposure.

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

<i>(Rupees in millions)</i>								
Year	1 to 60 days	60 to 120 days	120 to 180 days	Above 180 days	Gross receivable	Impairment	Net receivable	
As at 31 March 2025	65.81	3.54	0.14	0.33	69.82	1.17	68.65	
As at 31 March 2024	102.63	8.77	2.47	2.35	116.22	3.39	112.83	

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

Particulars	As at March 31, 2025	As at March 31, 2024
Opening	3.39	2.66
Add: Loss allowance recognised	(2.22)	0.73
Less: Amounts written off	-	-
Closing	1.17	3.39

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

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities (fungible among the company, holding company and 2 fellow subsidiaries) at the end of the reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed interest rate	-	-
Floating interest rate	770.27	38.00

(ii) Maturities of financial liabilities

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



Contractual maturities of financial liabilities

The amounts disclosed in the below table are the contractual undiscounted cash flows:

As at March 31, 2024	Carrying Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	7,760.23	1,053.02	4,365.00	8,438.47		13,856.49
Lease liabilities	4.90	4.20	1.05			5.25
Trade payables	291.59	291.58				291.58
Other financial liabilities	30.16	28.50	2.50			31.00
Total financial liabilities		1,377.30	4,368.55	8,438.47	-	14,184.32

As at March 31, 2025	Carrying Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	5,987.51	1,086.44	868.17	3,313.84	3,095.53	8,363.97
Lease liabilities	3.68	3.68	-	-	-	3.68
Trade payables	89.58	89.58	-	-	-	89.58
Other financial liabilities	44.26	44.26	-	-	-	44.26
Total financial liabilities	6,125.03	1,223.96	868.17	3,313.84	3,095.53	8,501.49

C. Market risk

Market risks comprises of:

a) Foreign exchange risk

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

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

As at March 31, 2025

Particulars	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (Rupees in millions)
Liabilities			
Trade payables	USD	80,884.00	6.94
Trade payables	GBP	5,000.00	0.56
Total exposure		85,884.00	7.50
Less: exposure hedged		-	7.50
Unhedged exposure		85,884.00	-

**As at
March 31, 2024**

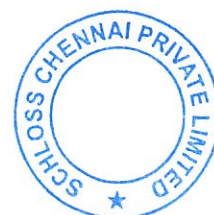
Particulars	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (Rupees in millions)
Liabilities			
Trade payables	USD	1,78,014.00	14.90
Trade payables	EUR	1,969.00	0.18
Total exposure		1,79,983.00	15.08
Less: exposure hedged		-	-15.08
Unhedged exposure		1,79,983.00	-

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

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

	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/ Rs.	86.1575	7.44	
Buy	GBP/ Rs.	111.6975	0.60	
Total			8.03	

	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/ Rs.	83.71	14.90	-
Buy	EUR/ Rs.	91.09	0.18	
Total			15.08	



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

(All amounts in INR millions, unless otherwise stated)

ii. Foreign exchange sensitivity

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

Particulars	Impact on Profit or Loss for the year ended March 31, 2025	Impact on Profit or Loss for the year ended March 31, 2024
EUR sensitivity		
Rs./ EUR - Increase by 1%	0	0
Rs./ EUR - Decrease by 1%	0	0
USD sensitivity		
Rs./ USD - Increase by 1%	0.07	0.15
Rs./ USD - Decrease by 1%	(0.07)	(0.15)

b) Interest rate risk

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

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

Particulars	As at March 31, 2025		
	Weighted average interest rate	Balance	% of total loans
Term loans	One year MCLR + spread of 0.10%, subject to monthly rests	5,142.31	85.88%
Working capital term loan	Six months MCLR + spread of 0.20%, subject to annual rests	845.20	14.12%

Particulars	As at March 31, 2024		
	Weighted average interest rate	Balance	% of total loans
Term loans	MCLR + spread of 0.80% to 1.6%	5,136.81	66%
Working capital term loan	("MCLR"), plus 1%, subject to annual reset	1,311.94	17%

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

Cash flow sensitivity analysis for variable rate instruments

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



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

Note 34: Employee benefit obligation

a) Compensated absences

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

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

The expense of compensated absences (non-funded) for the year ended March 31, 2025 amounting to Rs. 2.21 million (March 31, 2024: Rs. 2.33 million) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

b) Post employment obligations

Gratuity - Defined benefit plan

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

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

Provident fund and Employees State Insurance Commission - Defined contribution plan

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

The contributions are charged to the statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund and employees state insurance for the period aggregated to Rs. 16.19 million (March 31, 2024: Rs. 15.28 million).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Amounts recognised in the Statement of profit and loss:

Particulars	For the year ended March 31 2025	For the year ended 31 March 2024
Defined contribution plans		
- Employer's contribution to provident fund	16.19	15.28
Total	16.19	15.28
Defined benefit plans		
- Gratuity	7.43	2.80
Total	7.43	2.80

Amounts recognised in other comprehensive income:

Particulars	For the year ended March 31 2025	For the year ended 31 March 2024
Remeasurements for:		
- Gratuity	(6.88)	5.03
Total	(6.88)	5.03

Gratuity plan

Particulars	As at March 31 2024	As at March 31 2023
Present value of unfunded defined benefit obligation	18.43	19.76
Fair value of plan assets	10.56	10.91
Net defined benefit obligation	(7.87)	(8.84)
Present value of funded defined benefit obligations	-	-
Impact of minimum funding requirement/asset	-	-
Net defined benefit liability recognised in the Balance Sheet	(7.87)	(8.84)
Current	2.10	6.44
Non-current	5.77	2.40



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

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

Particulars	Present value of obligations	Fair value of plan assets	Net amount
As at 01 April 2023	13.75	10.50	3.24
Current service cost	2.56	-	2.56
Interest expense/ (income)	1.02	0.78	0.24
Total amount recognised in the Statement of profit and loss	3.58	0.78	2.80
Remeasurements:			-
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.12)	0.12
- (Gain)/ loss from change in demographic assumptions	(0.77)	-	(0.77)
- (Gain)/ loss from change in financial assumptions	2.58	-	2.58
- Experience (gains)/ losses	3.10	-	3.10
Total amount recognised in other comprehensive income (gain)/loss	4.92	(0.12)	5.04
Employer contributions	-	2.24	(2.24)
Benefit payments	(2.49)	(2.49)	-
As at 31 March 2024	19.76	10.91	8.84
Acquisition adjustment	0.70	-	0.70
Current service cost	6.09	-	6.09
Interest expense/ (income)	1.43	0.79	0.64
Total amount recognised in the Statement of profit and loss	8.23	0.79	7.43
Remeasurements:			-
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	-	-
- (Gain)/ loss from change in demographic assumptions	-	-	-
- (Gain)/ loss from change in financial assumptions	0.23	-	0.23
- Experience (gains)/ losses	(7.11)	-	(7.11)
Total amount recognised in other comprehensive income	(6.88)	-	(6.88)
Employer contributions	-	1.53	(1.53)
Benefit payments	(2.68)	(2.68)	-
As at 31 March 2025	18.43	10.56	7.87

Actuarial assumptions are as follows:

Particulars	As at March 31 2025	As at March 31 2024
Discount rate	7.04	7.25
Salary growth rate	8.00	8.00
Retirement Age (years)	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Weighted average duration of defined benefit obligation	3.86	3.86
Withdrawal Rate		
Up to 30 Years	30.00%	30.00%
From 31 to 44 years	25.00%	25.00%
Above 44 years	2.00%	2.00%

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

Sensitivity analysis

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

Change in assumption	March 31, 2025	March 31, 2024
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 0.50% increase in discount rate	(0.55)	(0.45)
(ii) 0.50% decrease in discount rate	0.58	0.48
(iii) 0.50% increase in rate of salary escalation	0.49	0.47
(iv) 0.50% decreasing rate of salary escalation	(0.47)	(0.45)



SCHLOSS CHENNAI PRIVATE LIMITED

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

(All amounts in INR millions, unless otherwise stated)

Maturity profile of defined benefit obligation:

The expected maturity analysis of undiscounted post-employment defined benefit obligations is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31 March 2025					
- Gratuity	2.10	2.47	4.94	8.91	18.41
Total	2.10	2.47	4.94	8.91	18.41
As at 31 March 2024					
- Gratuity	6.44	1.75	3.90	7.67	19.78
Total	6.44	1.75	3.90	7.67	19.78

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.



SCHLOSS CHENNAI PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2025**

(All amounts in INR millions, unless otherwise stated)

35 Capital Management

The Company considers its total equity as shown in the balance sheet including share capital and retained earnings as the components of its balance sheet of managed capital. The Company's objectives when managing capital are:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

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

The gearing ratios were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings	5,987.51	7,760.23
Less: Cash and Cash Equivalents	(330.36)	(38.32)
Less: Other Balance with bank (short term deposits)	(148.19)	(946.41)
Net Debt	5,508.96	6,775.50
Total equity	4,635.17	3,779.47
Net debt to equity ratio	1.19	1.79

36 Segment information

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

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



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

(All amounts in INR millions, unless otherwise stated)

37 Contingent liabilities	Amount
Disputed statutory liabilities :	
Income tax* (March 31, 2024: Rs. Nil)	0.18
*The Income Tax department had issued notice u/s 168(1) of The Income Tax Act with respect to outstanding demand of Equilisation levy for Ay 2021-22 . The reponse has been filed that company has paid the entire liability.No further correspondence received from the authorities	
Total contingent liabilities	0.18

38 Commitments

Estimated amount of contracts remaining to be executed on account of purchase of Property, plant and equipment and not provided for (net of capital advances) amounts to Rs. 23.74 million (March 31 2024:25.28 million) .

39 Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/ (Loss) after tax	(34.52)	19.14
Weighted average number of equity shares (basic earnings per share)		
Considered in calculation of Basic EPS	3,12,39,130.00	3,12,39,130.00
Considered in calculation of Diluted EPS	3,12,39,130.00	3,12,39,130.00
Face value per Equity Share (Rupees)	10.00	10.00
(a) Basic earnings per share	(1.11)	0.61
(b) Diluted earnings per share **	(1.11)	0.61
(c) Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	(34.52)	19.14
Diluted earnings per share		
Profit/ (Loss) attributable to the equity holders of the company:		
Used in calculating basic earning per share	(34.52)	19.14
Add: Finance cost saved on convertible debentures	-	-
Less: Tax on finance cost saved on convertible debentures	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share:	(34.52)	19.14
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares	1,72,39,130	1,72,39,130
Equivalent shares of CCD	23,33,333	1,40,00,000
Share issued towards conversion of CCD	1,16,66,667	-
Weighted average number of equity shares*	3,12,39,130	3,12,39,130

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

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



(All amounts in INB millions, unless otherwise stated)

Name of related parties

(i) Holding company

Schloss Bangalore Limited, holding company (w.e.f. May 31, 2024)

Schloss HMA Private Limited

Schloss Udaipur Private Limited

Leela Palaces and Resorts Limited

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

Schloss Chanakya Private Limited (w.e.f. 31 March 2023)

Transition Cleantech Services Five Private Limited

Anasvish Tiger Camp Private Limited
Inside India Resorts Private Limited

Arliga India Office Parks Private Limit
Sundar India Private Limited

BAM DLR Chennai Private Limited

Key management personnel

Mr. KM Chengappa, General Manager (upto 24 February 2025)

Mr. Anuraag Bhatnagar, Non-executive Director

Mr. Ravi Shankar, Non-Executive Director

Nature of Transaction	Name of related party	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from food and beverages	Arliga India Office Parks Private Limited	0.02	0.42
Management and operating fees	Schloss HMA Private Limited	142.32	135.39
Revenue from operations	BAM DLR Chennai Private Limited	0.16	-
	Cowrks India Private Limited	7.71	-
Power and fuel expenses	Summit Digital Infrastructure Limited	0.46	-
Reimbursement of expenses paid to / (received from)	Schloss HMA Private Limited	66.05	36.11
	Schloss Bangalore Limited	2.90	1.35
	Schloss Chanakya Private Limited	1.10	(2.72)
	Schloss Udaipur Private Limited	(0.40)	(0.21)
	Tulsi Palace Resort Private Limited	(0.37)	0.29
Interest expense on capex limit utilisation	Schloss Chanakya Private Limited	23.41	20.29
Interest on 10.50% unsecured compulsorily convertible debentures	Project Ballet Chennai Holdings (DIFC) Private Limited	-	146.30
Inter corporate deposit given	Schloss Bangalore Limited	254.40	-
	Schloss Chanakya Private Limited	526.00	-
Inter corporate deposit settlement	Schloss Bangalore Limited	609.43	44.97
	Schloss Chanakya Private Limited	421.00	-
Interest on inter corporate deposit	Schloss Bangalore Limited	33.07	47.60
	Schloss Chanakya Private Limited	17.55	-
Other operating income (Rental income)	Summitt Digital Infrastructure Pvt Ltd	0.67	1.06
Managerial remuneration* (short-term employee benefits)	Mr. KM Chengappa	14.44	13.58
	Mr.Nishant Agarwal	2.05	-

14th Floor
Central B Wing and
North C Wing
Level 4, Phase-4,
Sector 10
Vashi, in Eastern Highway,
Goregaon (West),
Mumbai - 400 083



C Outstanding Balances

	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Summitt Digital Infrastructure Private Limited	0.12	0.23
Schloss Bangalore Limited	3.24	-
BAM DLR Chennai Private Limited	0.05	-
Cowrks India Private Limited	0.11	-
Trade payables		
Schloss HMA Private Limited	25.92	186.52
Schloss Chanakya Private Limited	0.60	0.00
Tulsi Palace Resort Private Limited	-	0.21
Security deposits received		
Summit Digital Infrastructure Limited	0.24	0.24
Other Current Financial Assets- Receivable from related parties		
Schloss Bangalore Limited	-	0.34
Schloss Chanakya Private Limited	-	1.82
Schloss Udaipur Private Limited	-	0.20
Inter corporate deposit given		
Schloss Chanakya Private Limited	105.00	0.00
Schloss Bangalore Limited	0.00	355.03
Interest receivable on Inter corporate deposit given		
Schloss Chanakya Private Limited	5.72	
Schloss Bangalore Limited		18.06

D Corporate Guarantee

Company's intermediate holding company i.e. BSREP III India Ballet Holdings (DIFC) Limited (from March 31, 2022), BSREP III India Ballet Pte. Ltd. (upto March 30, 2022), fellow subsidiaries i.e. Schloss HMA Private Limited (upto March 28, 2025) and Leela Palaces and Resorts Limited (upto March 28, 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 (e) Other security

Company's fellow subsidiary i.e. Leela Palace Resorts Limited and the holding company Schloss Bangalore Limited have extended the mortgage on the land and pledged 30% shares of the Company respectively for the term loan availed by the Company.

(f) Names of Related parties where control exists

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

(g) Terms and conditions

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



41 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. The Company's transactions with related parties are at arms length as per the independent accountant's report for the year ended March 31, 2025. Management believes the Company's transactions with related parties post March 31, 2025 continue to be at arms length so that the aforesaid legislation will not have any impact on these financial statements, particularly on the amount of tax expenses and that of provision for tax.

42	Sr No	Ratio	Numerator	Denominator	Current Year	Previous Year	%Change	Reason for Variance
	1	Current ratio	Current Assets	Current Liabilities excluding current maturities of long-term borrowings	0.93	3.53	-74%	Decrease mainly due to reduction in Trade payable
	2	Debt- Equity Ratio	Total Debt (including lease liabilities)	Shareholder's Equity	1.29	2.05	-37%	Reduction is due to change in Equity due to conversation
	3	Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations Interest & other adjustments like gain on disposal of property, plant and equipment, etc	Debt service = Interest & Lease Payments + Principal Repayments	0.48	0.90	-46%	Reduction is mainly due to increase in finance cost
	4	Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-0.01	0.01	-182%	Due to loss in the current year and increase in shareholder equity
	5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.07	2.72	13%	Not Applicable
	6	Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	24.73	20.21	22%	Not Applicable
	7	Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.06	0.96	10%	Not Applicable
	8	Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	7.71	3.28	135%	Due to decrease in Working capital and increase in Revenue
	9	Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-0.01	0.01	-249%	Due to Loss in the current Financial year
	10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.07	0.07	8%	Not Applicable

43 Other Statutory Information

- No proceedings has been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 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.
- With reference to Note 17 (a). Borrowings of the financial statement for the year ended March 31, 2025, we confirm that all charges created/satisfied during FY 2024-25 have been registered with the Ministry of Corporate Affairs.
- The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds, that have been to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any funds from other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.



SCHLOSS CHENNAI PRIVATE LIMITED

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

- vi. As on March 31, 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.
- vii. Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- viii. 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.
- ix. The Companies have not traded or invested in Crypto currency or Virtual currency during the financial year.
- x. The Companies does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 [such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- xi. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- xii. The Company has used funds borrowed for the specific purposes only for the purposes which it has been borrowed.

44 Subsequent events

There are no events after the reporting period.

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

As per our report of even date attached
For BSR & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

Tarun Vignesh
Partner
Membership Number: 105003

Place: Mumbai
Date: May 06, 2025

For and on behalf of the board of directors of
Schloss Chennai Private Limited
CIN: U55101DL2019PTC346475

Anurag Chhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025

Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025



Deepta Arvind
Chief Financial Officer

Place: Chennai
Date: May 06, 2025

Rahul Panik
Company Secretary
Membership No. A63909

Place: Mumbai
Date: May 06, 2025