


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

	Notes	As at March 31, 2025	As at March 31, 2024
(Rupees in millions)			
ASSETS			
Non-current assets			
Property, plant and equipment	3	72.41	78.56
Right-of-use assets	5	195.85	255.38
Goodwill	4	477.56	477.56
Intangible assets	4	214.33	427.08
Financial assets			
- Other financial assets	7	31.99	33.36
Non current tax assets (net)	8	98.43	100.48
Other non-current assets	9	770.37	802.24
Total non-current assets		1,860.94	2,174.66
Current Assets			
Financial assets			
- Loans	6	27.47	-
- Trade receivables	10	764.77	1,054.89
- Cash and cash equivalents	11	184.72	182.74
- Bank balances other than cash and cash equivalents	12	30.15	0.01
- Other financial assets	7	89.88	23.12
Other current assets	9	69.41	70.49
Total current assets		1,166.40	1,331.25
TOTAL ASSETS		3,027.34	3,505.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	367.93	109.45
Other equity			
- Equity component of compound financial instruments	14	-	1,228.18
- Reserves and surplus	14	1,484.04	(1,151.07)
Total equity		1,851.96	186.56
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	-	2,094.11
- Lease liabilities	5	168.90	227.78
Provisions	16	24.64	26.30
Total non-current liabilities		193.54	2,348.19
Current liabilities			
Financial Liabilities			
- Borrowings	15	658.32	667.87
- Lease liabilities	5	53.97	51.49
- Trade payables			
(a) Total outstanding dues of micro and small enterprises	17	3.32	6.33
(b) Total outstanding dues other than (a) above	17	74.37	45.06
- Other financial liabilities	18	96.67	96.51
Other current liabilities	19	91.49	97.82
Provisions	16	3.70	6.08
Total current liabilities		981.84	971.16
Total liabilities		1,175.38	3,319.35
TOTAL EQUITY AND LIABILITIES		3,027.34	3,505.91
Corporate information	1		
Summary of material accounting policies	2		

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

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


Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

For and on behalf of the board of directors of
Schloss HMA Private Limited
CIN: U55209TN2019PTC136428


Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025


Dixit Chauhan
Chief Financial Officer

Place: Mumbai
Date: May 06, 2025


Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025


Pareg Gupta
Company Secretary
Membership No. A50725

Place: Mumbai
Date: May 06, 2025



SCHLOSS HMA PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31,2025

(Rupees in millions)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	20	1889.41	1,536.13
Other income	21	37.34	18.45
Total Income		1,926.75	1,554.58
Expenses			
Employee benefit expenses	22	565.01	498.53
Finance costs	23	233.09	334.36
Depreciation and amortisation expense	24	290.17	462.97
Other expenses	25	481.67	410.86
Total expenses		1,569.94	1,706.72
Profit/ (Loss) before tax		356.81	(152.14)
Income Tax Expense			
-Current Tax		-	-
-Deferred Tax charge/ (credit)	26	-	-
Total Tax Expense		-	-
Profit/ (Loss) for the period		356.81	(152.14)
Other Comprehensive Income			
<i>Items that will not be reclassified to Profit and Loss</i>			
Remeasurements of Post Employment Benefit Obligations	16	9.69	(8.87)
Income tax relating to these items	26	-	-
Other comprehensive Profit /(loss) for the period, net of tax		9.69	(8.87)
Total comprehensive Profit/(loss) for the period		366.50	(161.01)
Earnings per equity share (in rupees):			
Basic earnings per share (in Rs.) (Face value Rs. 10 each)	33	9.70	(4.14)
Diluted earnings per share (in Rs.) (Face value of Rs. 10 each)	33	9.70	(4.14)
Corporate information	1		
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Place: Mumbai
 Date: May 06, 2025



Parag Gupta
 Company Secretary
 Membership No. A50725

Place: Mumbai
 Date: May 06, 2025



SCHLOSS HMA PRIVATE LIMITED

Statement of Cash flows for the year ended March 31, 2025

Particulars	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
(Loss)/ Profit before tax for the Year	356.81	(152.14)
<i>Adjustments for:</i>		
Depreciation and amortisation	290.16	462.97
Finance costs	233.09	334.36
Impairment losses/(reversal) on financial assets	(186.05)	27.41
Interest income on income tax refund	(4.20)	(6.38)
Interest income	(6.56)	(0.19)
Loss on sale of property, plant and equipment	-	14.44
Gain on cancellation of leases	(4.93)	(8.58)
Interest Income on amortisation of financial assets	(2.53)	(2.70)
Operating cash flows before working capital changes	675.79	669.19
Working capital adjustments:		
Decrease/(Increase) in receivables	476.17	(492.94)
(Increase) in other financial assets	(62.86)	(40.09)
Decrease in other assets	32.95	1.16
(Decrease)/Increase in trade payables	26.30	(20.79)
Increase in other financial liabilities	0.17	19.51
Increase in employee benefit obligations	5.65	12.48
(Decrease) in other current liabilities	(6.33)	(12.99)
Cash generated from operations	1,147.83	135.53
Income taxes (paid)/received, net	6.25	30.06
Net cash flows generated from operating activities (A)	1,154.08	165.59
Cash flows from investing activities		
Purchase of property, plant and equipments	(11.68)	(72.09)
Inter-corporate loan given to related parties	(87.50)	-
Inter-corporate loan repayment received from related parties	61.95	-
Interest received on loan given to related parties	2.69	-
Purchase of Intangible assets	(0.05)	(0.12)
Proceeds from sale of property, plant and equipments	-	0.85
Investment in fixed deposits	(314.48)	-
Proceeds from fixed deposits	285.00	31.57
Interest received	1.29	0.19
Net cash flows used in investing activities (B)	(62.79)	(36.60)
Cash flows from financing activities		
Principal payment of lease liabilities	(51.49)	(25.17)
Interest elements of lease payments	(24.58)	(25.80)
Proceeds from borrowings from related parties	1,605.82	-
Repayments of borrowings to related parties	(1,547.72)	-
Finance costs paid on CCD Conversion	(868.94)	-
Finance costs paid to related parties	(202.40)	(7.53)
Net cash flows used in financing activities (C)	(1,089.31)	(58.50)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1.98	70.49
Cash and cash equivalents as at beginning of the period	182.74	112.25
Cash and cash equivalents at the end of the period	184.72	182.74
Cash on hand		
Balance with banks		
-in current account	79.20	152.74
-deposit with original maturity less than three months	105.52	30.00
Total cash and cash equivalents (Refer note 11)	184.72	182.74

Supplemental information to the cashflow (refer note 15)

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

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For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022



Jaymin Sheth

Partner

Membership Number: 114583

Place: Mumbai

Date: May 06, 2025

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Date: May 06, 2025



Ravi Shankar

Director

DIN: 07967039

Place: Mumbai

Date: May 06, 2025



Dixit Chauhan

Chief Financial Officer

Place: Mumbai

Date: May 06, 2025



Parag Gupta

Company Secretary

Membership No. A50725

Place: Mumbai

Date: May 06, 2025



SCHLOSS HMA PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2025

A. Equity Share Capital			(Rupees in millions)
Particulars	Notes	Amount	
Balance as at April 1, 2023		109.45	
Changes in Equity Share Capital	13	-	
Balance as at March 31, 2024	13	109.45	
Changes in Equity Share Capital	13	258.48	
Balance as at March 31, 2025	13	367.93	

B. Other Equity								(Rupees in millions)
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		1,070.70	885.85	(1,877.17)	1.26	-	80.64	
(Loss) for the Year	14	-	-	(152.14)	-	-	(152.14)	
Other comprehensive (loss) for the year, net of tax	14	-	-	(8.87)	-	-	(8.87)	
Gain on account of modification in terms of compound financial instruments	14	157.48	-	-	-	-	157.48	
Total		157.48	-	(161.01)	-	-	(3.53)	
Balance as at March 31, 2024	14	-	885.85	(2,038.18)	1.26	-	(1,151.07)	
(Loss)/Profit for the Year	14	-	-	356.81	-	-	356.81	
Other comprehensive (loss) for the year, net of tax	14	-	-	9.69	-	-	9.69	
Gain/(loss) on account of settlement of compound financial instruments	14	-	-	-	-	(57.72)	(57.72)	
Change during the Year	14	-	2,326.32	-	-	-	2,326.32	
Total		-	2,326.32	366.50	-	(57.72)	2,635.10	
Balance as at March 31, 2025		-	3,212.17	(1,671.68)	1.26	(57.72)	1,484.03	

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Schloss HMA Private Limited

CIN: U55209TN2019PTC136428



Jaymin Sheth

Partner

Membership Number: 114583

Place: Mumbai

Date: May 06, 2025

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Director

DIN: 07967035

Place: Mumbai

Date: May 06, 2025



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DIN: 07967039

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Date: May 06, 2025



Dixit Chauhan

Chief Financial Officer

Place: Mumbai

Date: May 06, 2025



Parag Gupta

Company Secretary

Membership No. A50725

Place: Mumbai

Date: May 06, 2025



Background and basis of preparation

1 Company information

Schloss HMA Private Limited ("the Company") an Indian subsidiary of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") was incorporated on March 6, 2019 under the provisions of Companies Act, 2013 and started its operations effective October 17, 2019 by acquiring hotel management business of HLV Limited along with its trademark 'The Leela' and other intellectual property held by Leela Lace Holdings Private Limited.

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

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

Rounding off amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise specified.

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

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.

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.

2.2 Critical Accounting estimates and judgements (Contd.)

– **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 26 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 26 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 16 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 5 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 27 for further details.

2.3 Going Concern

The Company has incurred a profit of Rs. 356.81 millions during the year ended March 31, 2025, has accumulated losses of Rs. 1671.68 millions and net worth of Rs.1851.96 millions at March 31, 2025. As of March 31, 2025, the Company's current assets exceeded its current liabilities by Rs.184.56 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.

Further, the Company has also received a letter of financial support from BSREP III India Ballet Holdings (DIFC) Limited to help enable the Company 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:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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:

- it is expected to be settled in the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the balance sheet date; or
- 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.

2.4 Current / Non-current classification (Contd.)

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 end of period 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. 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 period 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.

Management and other operating fees:

For managed properties, the Company has performance obligations to provide hotel management services and a license to intellectual property for the use of the brand names. As compensation for such services, the Company is generally entitled to receive:

Base fees: which are a percentage of the revenues of properties,

Incentive fees: which are generally based on a measure of hotel profitability and

Marketing fees: which are generally based on room revenue of the properties.

Entire consideration i.e. (Base fees, Incentive fees and Marketing fees) is variable consideration, as the transaction price is based on a percentage of revenue or profit, as defined in each contract. The Company recognize all fees on a monthly basis over the term of the agreement as those amounts become payable, as long as it does not expect a significant reversal due to projected future hotel performance or cash flows in future periods.

Cost Reimbursements

Under the management agreements, the Company is entitled to be reimbursed for certain costs the Company incurs on behalf of the managed properties, with no added mark-up. These costs primarily consist of business promotion, payroll, travelling and related expenses at managed properties where the company is employer of the employees at the properties and include certain operational and administrative costs as provided for in our contracts with the owners. The Company is entitled to reimbursement in the period it incur the related reimbursable costs, which it recognize within the "Cost reimbursement revenue" under Revenue from operations caption of its Statements of profit and loss.

Other Income

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

e) Cash flow statement

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



2.5 Material Accounting Policies (Contd.)

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.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of assets, net of their residual values, over their estimated useful lives as follows:

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)
Plant and machinery	15 years
Office equipments	3 to 5 years
Computers	3 years
Data processing units	6 years
Furniture & Fixtures	8 years
Leasehold improvements	Lower of Lease term or useful live
Vehicles	6 years

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

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
Brand	5 years
Management contracts	5 years or terms of the contract
Website	3 years

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss, when the asset is derecognised.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill attributable to the acquisition of hotel management business of HLV Limited is, from the acquisition date, allocated to cash-generating units that are expected to benefit from the combination.

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



2.5 Material Accounting Policies (Contd.)

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 period. 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.

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.



2.5 Material Accounting Policies (Contd.)

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) 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.

l) Financial instruments

(i) Classification

The company classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Recognition

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

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value (trade receivables is measured at transaction price) plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



-Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the 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.

2.5 Material Accounting Policies (Contd.)**-Equity instruments**

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

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

Compound financial instruments

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

Trade and other receivables

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

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

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as non-current liabilities if the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. If not, they are presented under current borrowings.

Derecognition of financial asset & financial liabilities

A financial asset (or, a part of a financial asset) is primarily derecognized when:

- The contractual right to receive cash flows from the financial assets expire, or
- The Company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

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

Gain or loss on derecognition

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

Impairment of financial assets

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

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

Offsetting of financial instruments

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.



m) **Leases**

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.

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.

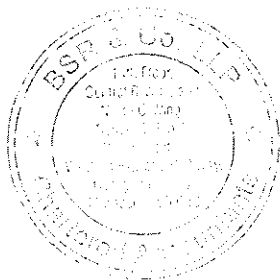
Variable lease: Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

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

Classification of lease:

n) **Borrowing costs**

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

4 Other intangible assets and goodwill

Particulars	Computer software	Website (Note-1)	Brand (Note-1)	Management contracts (Note-1)	Total	Goodwill (Note-2)
Year ended March 31, 2024						
Gross carrying amount as at April 1, 2023	2.19	16.37	763.55	416.05	1198.15	477.56
Additions	0.12	-	-	-	0.12	-
Disposals	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2024	2.31	16.37	763.55	416.05	1198.27	477.56
Accumulated depreciation as at April 1, 2023						
Amortisation charge during the Year	0.35	6.81	299.75	78.13	385.04	-
Disposals	0.42	6.83	300.56	78.34	386.15	-
Closing accumulated depreciation as at March 31, 2024	0.77	13.64	600.31	156.47	771.19	-
Net carrying amount as at March 31, 2024	1.54	2.73	163.24	259.58	427.08	477.56
Year ended March 31, 2025						
Gross carrying amount as at April 1, 2024	2.31	16.37	763.55	416.05	1,198.27	477.56
Additions	0.05	-	-	-	0.05	-
Disposals	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2025	2.37	16.37	763.55	416.05	1,198.33	477.56
Accumulated amortisation as at April 1, 2024						
Amortisation charge during the year	0.77	13.64	600.31	156.47	771.19	-
Disposals	0.45	2.73	163.24	46.38	212.81	-
Closing accumulated depreciation as at March 31, 2025	1.22	16.37	763.55	202.85	984.00	-
Net carrying amount as at March 31, 2025	1.15	-	-	213.20	214.33	477.56

For intangible assets the company has elected to continue with the carrying value as recognised in its previous GAAP financial statements as deemed cost.

Note 1: Details of Intangible Assets pledged:

The lender has granted a term loan facility under the Common Facility Agreement dated September 30, 2019 to the Company (w.e.f. March 29, 2025) and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Bangalore Limited, Schloss Chanakya Private Limited and Schloss Udaipur Private 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 (Rs. 2,000 millions) fully fungible amongst each of the four co-borrower's hotel property. The term to maturity of the loan is 15 years including moratorium of one year.

The total term loan under the said agreement is secured against assets of the all co-borrowers under the Common Facility Agreement, inter alia, including:

- Exclusive charge on brand 'Leela' pertaining to Hotels, other intangibles, Goodwill, Intellectual Property (IP), uncalled capital (present and future).
- First charge on the entire current assets (present and future).
- Hypothecation of cash flows.



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

3 Property, plant and equipment

		(Rupees in millions)						
Particular	Plant and machinery	Leasehold improvements**	Office equipment	Computers and data processing units	Vehicles*	Furniture and fixtures	Total	Capital work-in-progress
Year ended March 31, 2024								
Gross carrying amount as at April 1, 2023	15.54	10.40	0.62	7.43	-	4.98	38.97	-
Additions	24.36	33.88	1.03	2.69	-	10.23	72.19	-
Disposals	(8.41)	(11.84)	-	-	-	(4.12)	(24.37)	-
Closing gross carrying amount as at March 31, 2024	31.49	32.44	1.65	10.12	-	11.09	86.79	-
Accumulated depreciation as at April 1, 2023	1.67	2.49	0.22	2.63	-	0.69	7.70	-
Depreciation charge during the Year	2.32	3.41	0.36	2.66	-	0.86	9.61	-
Disposals	(1.83)	(5.90)	-	-	-	(1.35)	(9.08)	-
Closing accumulated depreciation as at March 31, 2024	2.16	0.00	0.58	5.29	-	0.20	8.23	-
Net carrying amount as at March 31, 2024	29.33	32.44	1.07	4.83	-	10.89	78.56	-
Year ended March 31, 2025								
Gross carrying amount as at April 1, 2024	31.49	32.44	1.65	10.12	-	11.09	86.79	-
Additions	-	5.28	0.91	5.49	-	-	11.68	1.46
Disposals	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2025	31.49	37.72	2.56	15.61	-	11.09	98.47	1.46
Accumulated depreciation as at April 1, 2024	2.16	-	0.58	5.29	-	0.20	8.23	-
Depreciation charge during the Year	5.24	7.15	0.60	3.37	-	1.47	17.83	-
Disposals	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2025	7.40	7.15	1.18	8.66	-	1.67	26.06	-
Net carrying amount as at March 31, 2025	24.09	30.57	1.38	6.95	-	9.42	72.41	-

* Fully depreciated vehicle still in use.

** Accumulated depreciation of 0.60 millions on partial disposal of leasehold improvement is adjusted from gross disposal.



4 Other intangible assets and goodwill (Contd.)

Note 2: Impairment testing:

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

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

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

The carrying amount of goodwill is Rs. 477.56 millions (March 31, 2024 : 477.56 millions) . The estimated value-in-use of this CGU is based on the future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and a discount rate of 12.50% p.a. An analysis of the sensitivity of the computation to a change in key parameters (EBITDA, discount rates and terminal value), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The outcome of the Company's goodwill impairment test as performed in March 2024 did not result in any impairment of goodwill. As there were no change in indicators for impairment of the CGU, the impairment calculations have not been updated during the year ended March 31, 2025.

5 Leases

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

(Rupees in millions)

Office Premises	As at March 31, 2025	As at March 31, 2024
Right-of-use assets		
Opening balance	297.65	149.40
Additions during the year	-	297.65
Derecognition of right-of-use assets	-	(149.40)
Closing balance	297.65	297.65
Accumulated depreciation on Right-of-use assets		
Opening	42.27	29.44
Additions during the year	59.53	67.29
Derecognition of right-of-use assets	-	(54.46)
Closing balance	101.80	42.27
Net Right of use assets	195.85	255.38

Office Premises	As at March 31, 2025	As at March 31, 2024
Lease liabilities		
Opening Lease Liability:		
Lease liabilities - Current	51.49	33.34
Lease liabilities - Non Current	227.78	88.17
Additions during the year	-	282.09
Interest on unwinding of lease liabilities	24.58	25.80
Derecognition of lease liabilities	(4.93)	(99.16)
Repaid during the year	(76.07)	(50.97)
Closing balance	222.87	279.27
Lease liabilities - Current	53.97	51.49
Lease liabilities - Non Current	168.90	227.78
	222.87	279.27

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

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

	Notes	For the year ended March 31, 2025	As at March 31, 2024
Depreciation charge of right-of-use assets			
- Office premises	24	59.53	67.29
Expense relating to short-term leases (included in other expenses)	25	8.37	2.16

The total cash outflow for leases for the year ended March 31, 2025 was Rs.76.07 millions out of which Rs.51.49 millions is towards principal payment of lease payment of lease liabilities and Rs.24.58 millions towards interest paid on lease liabilities.

March 31, 2024 50.97 millions out of which Rs. 25.17 millions is towards principal payment of lease liabilities and Rs. 25.8 million towards interest paid on lease liabilities.

(iii) Extension and termination options

Extension and termination options are included in majority of lease contracts entered by the company. Rental contracts for the premises may include extension and termination options. These options are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised. Periods covered by a termination option are included in the lease term if the Company is reasonably certain not to exercise the option. Otherwise, the lease term ends at the point in time when the Company can exercise the termination option.

(iv) 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 HMA PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025
6 Loans
(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Current		
<i>Unsecured considered good, unless otherwise stated:</i>		
Inter-corporate deposit (ICD) to related party (refer Note (a) below and refer note 34)	27.47	-
Total	27.47	-

- (a) **Inter corporate deposit (ICD) to related party:** Inter corporate deposit has been given to Leela Palaces and Resorts Limited. The ICD carries interest rate of 12.50 % p.a and same are repayable on demand.

Break-up of security details
(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Loans considered good- secured	-	-
Loans considered good- unsecured	27.47	-
Total loans	27.47	-

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

	As at March 31, 2025	As at March 31, 2024
(a) Repayable on demand		
Other related parties*	27.47	-
Total loans	27.47	-
% to the total loans outstanding	100%	0.00%

*Includes accrued interest of Rs. 1.21 millions.

7 Other financial assets
(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	31.99	33.36
Unsecured, considered good		
Total	31.99	33.36
Current		
Other receivables (refer Note 34)	89.88	23.12
Total	89.88	23.12

8 Non current tax assets (net)
(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Advance tax and tax deducted at source (net of provisions for tax: nil)	98.43	100.48
Total	98.43	100.48



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

Movement of Non-current tax assets	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2023
Opening balance	100.48	124.16
Less: Current tax payable for the year	-	-
Add: Taxes paid / (refund received)	(2.05)	(23.68)
Closing balance	98.43	100.48

9 Other assets	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
<u>Non-current</u>		
Advance for hotel management contract renewal (Refer note (a) below)	770.37	802.24
Total	770.37	802.24
<u>Current</u>		
Balances with governmental authorities		
- With GST authorities	18.17	11.65
Advance for hotel management contract renewal (Refer note (a) below)	31.87	31.87
Advance to employees	2.21	2.16
Advance paid to vendor	4.71	4.12
Prepaid expenses	12.45	20.69
Total	69.41	70.49

Note:

- (a) During the year ended March 31, 2023 the Company had entered into an agreement (the 'Agreement') with certain parties having direct and/or indirect shareholding interest in two specific hotel owning companies ("Shareholders"). Under the Agreement the Company had paid an amount of Rs. 850 million for securing an undertaking that the Shareholders will ensure that the Hotel Management Agreements (HMA) contracts of the two specific hotels subsist till the 20th anniversary beginning from October 2, 2023.

The Board of Directors of one hotel owning company had agreed to the arrangement and passed the requisite resolution and executed the Agreement as confirming party. The other hotel owning company has not executed the Agreement and certain shareholders of such hotel owning company have executed the Agreement.

The Shareholders will cause the hotel owing companies to perform and comply with the respective HMA contracts and ensure continuance of the contracts by exercising their voting rights (directly and indirectly). The Shareholder shall also ensure that the hotel owning companies does not take any action to terminate any HMA contract. In the event the stated obligations, specified in the Agreement, are not fulfilled by the Shareholders in accordance thereof, the amount paid is repayable, as per the terms of the Agreement.

As at March 31, 2023, the HMA contracts have been renewed for a period of 10 years for both hotels owning properties from the date of initial expiry of respective HMA contracts. These amounts paid will be amortised on a straight-line basis over a period of 20 years. During the year ended March 31, 2025 Rs. 31.87 millions (March 31, 2024 Rs. 15.89 millions) has been charged to the Statement of Profit and Loss.

Based on management's assessment and independent legal advice obtained on this matter, the payments are considered to be in compliance with the applicable laws and regulations.



SCHLOSS HMA PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025
10 Trade receivables
(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers - billed	558.17	615.70
Trade receivables from contract with customers -billed - related parties (Refer note 34)	342.76	745.85
Trade receivables from contract with customers - unbilled - related parties - (Refer note 34)^	-	14.82
Trade receivables from contract with customers – unbilled^	15.35	16.07
Less: Loss allowance	(151.50)	(337.55)
Total trade receivables	764.77	1054.89
Current portion	764.77	1,054.89
Non-current portion	-	-
Break-up of security details		
Trade receivables considered good - unsecured	916.27	1,392.44
Trade receivables – credit impaired	-	-
Total	916.27	1,392.44
Less: Loss allowance	(151.50)	(337.55)
Total trade receivables	764.77	1,054.89

^The receivable is 'unbilled' because the company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

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

(ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 34.

(iii) For related party balances refer note 34.



10 Trade receivables (Contd.)

Ageing of trade receivables as at March 31, 2025		(Rupees in millions)				
Particulars	Unbilled	Not due	Outstanding for following periods from the due date			
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years
Undisputed trade receivables						
considered good	15.35	-	747.46	43.84	49.62	60.00
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Less: Loss allowance	15.35	-	-	(41.88)	(49.62)	(60.00)
Total trade receivables			747.46	1.96	-	-
						916.27
						(151.50)
						764.77

Ageing of trade receivables as at March 31, 2024

Ageing of trade receivables as at March 31, 2024		(Rupees in millions)				
Particulars	Unbilled	Not due	Outstanding for following periods from the due date			
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years
Undisputed trade receivables						
considered good	30.89	-	906.45	138.76	72.18	81.36
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Less: Loss allowance	-	-	-	(30.06)	(64.03)	(80.67)
Total trade receivables	30.89	-	906.45	108.69	8.15	0.70
						(162.80)
						1,392.44
						(337.55)
						1,054.89



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

11 Cash and cash equivalents	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- in current accounts	79.20	152.74
- Fixed deposit with original maturity less than three months	105.52	30.00
Cash on hand	-	-
Total cash and cash equivalents	184.72	182.74

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

12 Bank balances other than cash and cash equivalents	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Fixed deposits with banks with original maturity more than three months but less than twelve months	30.15	0.01
Total bank balances other than cash and cash equivalents	30.15	0.01



13 Equity share capital

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Authorised		
3,75,00,000(31 March 2024:2,25,00,000) equity shares of Rs.10 each	375.00	225.00
Issued, subscribed and paid up		
3,67,92,597(31 March 2024:1,09,44,597) equity shares of Rs.10 each, fully paid up	367.93	109.45
Total	367.93	109.45

(i) Movements in share capital

(a) Authorised share capital

	No. of shares	Amount	Amount
Equity			
As at March 31, 2023	2,25,00,000	225.00	225.00
Increase/(decrease) during the year	-	-	-
As at April 1, 2024	2,25,00,000	225.00	225.00
Increase/(decrease) during the year	1,50,00,000	150.00	-
As at March 31, 2025	3,75,00,000	375.00	225.00

(b) Issued, subscribed and paid up

	No. of shares	Amount	Amount
As at March 31, 2023	1,09,44,597	109.45	109.45
Changes in Equity Share Capital	-	-	-
As at April 1, 2024	1,09,44,597	109.45	109.45
Shares issued during the year	2,58,48,000	258.48	-
-on conversion of CCD	-	-	-
As at March 31, 2025	3,67,92,597	367.93	109.45

Terms, rights, preferences and restrictions attached to equity shares

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

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

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

As at March 31, 2025

	No. of shares	% Holding	% Holding
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited), holding company	3,67,92,591	99.99%	99.99%

As at March 31, 2024

	No. of shares	% Holding	% Holding
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99%	99.99%

(iii) Shares of the company held by holding company

	As at March 31, 2025	As at March 31, 2024
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited), Holding Company	3,67,92,591	-
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	-	1,09,44,596.00

(iv) Details of shareholding of promoters:

As at March 31, 2025

Name of the promoter and promoter group	Number of shares	Percentage of total number of shares	Percentage of change during the year
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited), Holding Company	3,67,92,591	99.99%	100.00%
Schloss Chanakya Private Limited	1	0.00%	0.00%
Schloss Chennai Private Limited	1	0.00%	0.00%
Leela Palaces and Resorts Limited	1	0.00%	0.00%
Schloss Tadoba Private Limited	1	0.00%	0.00%
Schloss Gandhinagar Private Limited	1	0.00%	0.00%
Schloss Udaipur Private Limited	1	0.00%	0.00%
	3,67,92,593	100.00%	100.00%

As at March 31, 2024

Name of the promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Project Ballet HMA Holdings (DIFC) Private Limited	1,09,44,596	99.99%	-
BSREP III India Ballet Holdings (DIFC) Limited	1	0.01%	-
	1,09,44,597	100.00%	-

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



(v) Terms of any securities convertible into equity
Refer Note 15(a) 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.

14 Other Equity

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Equity component of compound financial instruments	-	1,228.18
Securities premium	3,212.17	885.85
Retained earnings	(1,671.68)	(2,038.18)
Retained earnings - fair value as deemed cost	1.26	1.26
Other equity	(57.72)	-
Total	1,484.04	77.11

(a) Equity Component of compound financial instruments

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Opening balance	1,228.18	1,070.70
Add: Net gain on account of modification of terms of financial instruments	-	157.48
Less: Extinguishment of compound financial instruments	(1,228.18)	-
Closing balance	-	1,228.18

(b) Securities premium

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Opening balance	885.85	885.85
Addition during the period	2,326.32	-
Closing balance	3,212.17	885.85

(c) Retained earnings

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Opening balance	(2,038.18)	(1,877.17)
Net Profit / (loss) for the year	356.81	(152.14)
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post employment benefit obligations, net of tax	9.69	(8.87)
Closing balance	(1,671.68)	(2,038.18)

(d) Retained earnings - fair value as deemed cost

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Opening balance	1.26	1.26
Change during the year	-	-
Closing balance	1.26	1.26

(e) Other equity

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Less: Loss on account of settlement of compound financial instruments	(57.72)	-
Closing balance	(57.72)	-

Nature and purpose of reserves:

i Securities premium

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

ii Retained earnings

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

iii Retained earnings - fair value as deemed cost

As per Ind AS 101, the Company has elected to measure all item of property, plant and equipment at the date of transition to Ind AS at its fair value and used that fair value as its deemed cost at that date. The gain on fair valuation is part of retained earnings and is not available for distribution.

iv Other equity

This represents the loss on settlement of compulsory convertible debentures.

v Equity component of compound financial instrument

This represents the equity portion of compulsory convertible debentures issued to Project Ballet HMA Holdings (DIFC) Pvt. Limited erstwhile, holding company. (refer note 15(a))



15 Borrowings

	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Unsecured		
Liability component of compulsory convertible debenture (refer note a and b below) and (refer note 34)	-	2,094.11
Total	-	2,094.11
Current		
Unsecured		
Inter corporate deposit (ICD) from related party (refer note c below) and (refer note 34)	658.32	667.87
Total	658.32	667.87

- (a) The Company had issued 2,58,48,000 compulsory convertible debentures ("CCDs") having face value of Rs. 100 each and term of 15 years on October 16, 2019. These CCDs carries 10.50% p.a. coupon rate. The CCD holder shall be entitled to interest on the principal amount of CCDs outstanding at a rate of 10.50 % per annum compounded on a yearly basis, until conversion of the CCDs.

Conversion terms:

At the end of the tenure (15 years), each Compulsory 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 i.e. Project Ballet HMA Holdings (DIFC) Private Limited and the company. Provided that the CCDs shall automatically stand converted into equity shares upon:

- (a) Commencement of the corporate insolvency resolution process of the Company or, any of the co-borrowers under the Common Facility Agreement dated September 30, 2019 executed with the lender; or
(b) Conversion of loan into equity of the Company or any or all of the co-borrowers under the Common Facility Agreement, unless otherwise instructed by the lender as per the Common Facility Agreement who have provided the loans or who may have acceded to the financing documents.

Restriction on payment of interest on CCDs:

As per terms of the Common Facility Agreement, interest on the CCDs shall be accrued but cannot be paid by the Company until all the dues under Common Facility Agreement are paid by respective co-borrowers.

The Company is liable to pay the interest portion on the CCD and at the end of the term of the CCD it will be converted into equity shares in the ratio of 1:1. The interest and equity conversion as included in the CCD instrument requires it to be classified as compound financial instrument having an equity component for conversion and liability component for cash outflows towards interest payments. Liability component is recorded as present value of cashoutflows towards interest portion and the residual amount after deducting the liability component from the gross value of the instrument is recorded as equity component. (refer note 14).

Modification in terms of Compulsory Convertible Debentures (CCDs): As per the original terms, the CCD holder was entitled to interest @ 10.50%. The Company entered into addendum agreement dated September 28, 2023 with the CCD holder for alteration of the CCD terms. As per the new terms, the CCD holder shall be entitled to interest on the principal amount at the rate of 10.50% p.a. till March 2029 and henceforth it will be 12.50% p.a. compounded on yearly basis until conversion. Company accounted the modification as substantial modification resulting into extinguishment and recognised the gain of Rs. 157.48 million in equity.

- (b) **Extinguishment of CCDs:** Project Ballet HMA Holdings (DIFC) Private Limited, the holder of the compulsory convertible debentures ("CCD") has requested for the conversion of those CCDs on May 31, 2024. Accordingly, the Company has issued equity shares and recorded security premium upon conversion during the year ended March 31, 2025. Interest on CCDs is paid during the year till the date of conversion of these CCDs to equity.
- (c) **Inter corporate deposit (ICD) from related party:** Inter corporate deposit has been taken from Schloss Chanakya Private Limited and Schloss Bangalore Limited. The ICD carries interest rate of 12.50 % p.a and same are repayable on demand.

Net debt reconciliation - disclosure of changes in liabilities arising from financing activities (read with Statement of Cash Flows)

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

	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Borrowings	(658.32)	(2,761.98)
Lease liabilities	(222.86)	(279.27)
Cash and cash equivalents	184.72	182.74
Total	(696.46)	(2,858.51)

	(Rupees in millions)			
	Borrowings	Lease liabilities	Cash and cash equivalents	Total
Net debt as at April 1, 2023	2,658.87	121.51	112.25	2,892.64
Interest expense	308.56	25.80	-	334.36
New leases	-	282.09	-	282.09
Derecognition of lease liabilities	-	(99.16)	-	(99.16)
Cash flows	-	(25.17)	70.49	45.32
Interest paid	(7.53)	(25.80)	-	(33.33)
Gain on modification compulsory convertible debenture	(157.48)	-	-	(157.48)
Others	(40.45)	-	-	(40.45)
Net debt as at March 31, 2024	2,761.97	279.27	182.74	3,223.98
Interest expense	208.46	24.58	-	233.04
Derecognition of lease liabilities	-	(4.92)	-	(4.92)
Cash flows	58.11	(51.49)	1.98	4.63
Impact of conversion of compulsory convertible debenture	(1,298.89)	-	-	(1,298.89)
Interest paid	(1,071.33)	(24.58)	-	(1,095.91)
Net debt as at March 31, 2025	658.32	222.86	184.72	696.46



(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for:		
- Compensated absences	12.10	10.38
- Gratuity	12.54	15.92
Total	24.64	26.30
Current		
Provision for:		
- Compensated absences	1.56	3.17
- Gratuity	2.14	2.91
Total	3.70	6.08

a) Defined contributions plan: Provident fund

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 for the year ended March 31 2025 amounting to Rs.14.19 million. (March 31, 2024: Rs.13.61 million)

b) 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 0.43 Million (March 31, 2024 : Rs.8.56 million) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

c) Defined benefit plan obligations: Gratuity

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

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

Amounts recognised in the statement of profit and loss

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Defined benefit plans		
- Compensated absences	0.43	8.56
- Gratuity	6.03	5.44
Total	6.46	14.00

Amounts recognised in Other Comprehensive Income:

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Remeasurements for:		
- Gratuity	9.69	(8.87)
Total	9.69	(8.87)

Gratuity plan

	(Rupees in millions)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of funded defined benefit obligation	(20.06)	31.21
Fair value of plan assets	5.38	12.37
Net defined benefit obligation	(14.68)	(18.83)
Present value of unfunded defined benefit obligations	-	-
Impact of minimum funding requirement/asset	-	-
Net defined benefit liability recognised in the Balance Sheet	(14.68)	(18.83)

Net defined benefit liability is bifurcated as follows:

Current	2.14	2.91
Non-current	12.54	15.92



16 Provisions (Cont.)

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 April 1, 2024	(31.21)	12.37	(18.83)
Current service cost	4.67	-	4.67
Interest expense/ (income)	2.26	(0.90)	1.37
Acquisition adjustments	-	-	-
Total amount recognised in the Statement of profit and loss	6.93	(0.90)	6.03
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.02	0.02
- (Gain)/ loss from change in demographic assumptions	-	-	-
- (Gain)/ loss from change in financial assumptions	0.25	-	0.25
- Experience (gains)/ losses	(9.96)	-	(9.96)
Total amount recognised in other comprehensive income	(9.71)	0.02	(9.69)
Transfer	-	-	-
Employer contributions	-	0.50	(0.50)
Benefit payments	(8.36)	(8.36)	-
As at March 31, 2025	(20.06)	5.38	(14.68)

Particulars	Present value of obligations	Fair value of plan assets	Net amount
As at April 1, 2023	(16.11)	10.43	(5.68)
Current service cost	(5.02)	-	(5.02)
Interest expense/ (income)	(1.20)	(0.78)	(0.42)
Total amount recognised in the Statement of profit and loss	(6.22)	(0.78)	(5.44)
Remeasurements:			
- (Gain)/ loss from change in demographic assumptions	0.13	-	0.13
- (Gain)/ loss from change in financial assumptions	(2.25)	-	(2.25)
- Experience (gains)/ losses	(6.75)	-	(6.75)
Total amount recognised in other comprehensive income	(8.87)	-	(8.87)
Employer contributions	-	1.16	1.16
As at March 31, 2024	(31.21)	12.37	(18.83)

Significant actuarial assumptions were as follows:

	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 (in years)	58.00	58.00
Mortality rate during employment	100% of IALM (2012-14)	IALM (2012-14) Ultimate
Attrition at Ages		
- Up to 30 Years	3.00%	3.00%
- From 31 to 44 years	3.00%	3.00%
- Above 44 years	3.00%	3.00%

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.



16 Provisions (Cont.)

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:

Particulars	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	(20.06)	31.21
Impact due to increase of 0.50%	(0.66)	(0.96)
Impact due to decrease of 0.50%	0.71	1.02
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	(20.06)	31.21
Impact due to increase of 0.50%	0.63	1.01
Impact due to decrease of 0.50%	(0.62)	(0.96)

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

Maturity analysis

The weighted average duration to the payment of these cash flows is 11.92 years.

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

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2025					
- Gratuity	2.93	2.99	4.49	9.66	20.07
Total	2.93	2.99	4.49	9.66	20.07
As at March 31, 2024					
- Gratuity	2.90	2.25	7.09	8.42	20.65
Total	2.90	2.25	7.09	8.42	20.65

Risk exposure

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

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future expected salaries of employees. As such, an increase in the salary expected by more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The major categories of plans assets -

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



17 Trade payables

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Trade payables - micro and small enterprises	3.32	6.33
Trade payables - others	65.79	44.10
Trade payables - to related parties (refer note 34)	8.58	0.96
Total trade payables	77.69	51.39

Ageing of trade payables as at March 31, 2025

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro and small enterprises	-	-	3.32	-	-	-	3.32
Others	17.14	-	57.23	-	-	-	74.37
Disputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	17.14	-	60.55	-	-	-	77.69

Ageing of trade payables as at 31 March 2024

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro and small enterprises	-	-	6.29	0.02	-	-	6.32
Others	3.34	-	40.82	0.30	0.30	0.31	45.07
Disputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	3.34	-	47.12	0.32	0.30	0.31	51.39

Outstanding Dues to Micro and Small Enterprises

	As at March 31, 2025	As at March 31, 2024
-Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the period end:		
- Principal amount	3.32	6.33
- Interest due thereon	-	-
-Interest paid other than under section 16 of MSMED Act, to suppliers registered under	-	-
-Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the	-	-
-Amount of the payment made to suppliers registered under MSMED Act, beyond the	-	-
-Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
-The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

18 Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Current		
Retention money	2.66	3.13
Security deposits for tender	0.07	0.07
Employee dues payable	93.94	93.31
Total	96.67	96.51

19 Other liabilities

	As at March 31, 2025	As at March 31, 2024
Current		
Statutory Dues Payable		
Professional tax payable	0.02	0.01
TDS payable	17.30	61.33
GST payable	71.72	33.77
Provident fund payable	2.45	2.71
Labour welfare fund payable	*	*
Total	91.49	97.82

*Amounts are below the rounding off norms adopted by the Company.



SCHLOSS HMA PRIVATE LIMITED

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

20 Revenue from operations	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024

Revenue from services		
Management and other operating fees	1,889.41	1,536.13
Total	1,889.41	1,536.13

Disaggregation of revenue	(Rupees in millions)			
	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
-Management and marketing fees	-	682.18	-	558.68
-Incentive fees	-	768.72	-	643.77
-Corporate and other support fees	-	6.96	-	77.00
-Cost reimbursement revenue	-	431.55	-	256.68
	-	1,889.41	-	1,536.13

21 Other income	(Rupees in millions)	
	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	1.95	0.19
- Interest on Income tax refund	4.20	6.38
- Security deposits	2.53	2.70
- Inter-corporate deposits	4.61	-
Miscellaneous income	19.12	0.60

(b) Other gains / (losses)

Gain on cancellation of leases	4.93	8.58
Total	37.34	18.45

22 Employee benefit expenses	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024

Salaries, wages and bonus	444.48	413.77
Contribution to provident fund	14.19	13.61
Staff welfare expenses	99.88	57.15
Gratuity	6.03	5.44
Leave compensation	0.43	8.56
Total employee benefit expenses	565.01	498.53

23 Finance costs	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024

Interest expense on:		
- Lease liability	24.58	25.80
- Liability component of compound financial instruments	73.73	233.35
- Inter corporate deposits (ICDs)	134.72	75.21
Other finance costs	0.06	-
Total finance costs	233.09	334.36

24 Depreciation and amortisation expenses	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024

Depreciation on property, plant and equipments	17.83	9.59
Amortisation on intangible assets	212.81	386.09
Depreciation on right-of-use assets	59.53	67.29
Total depreciation and amortisation expenses	290.17	462.97



SCHLOSS HMA PRIVATE LIMITED

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

25 Other expenses

(Rupees in millions)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental charges	8.37	2.16
Repairs and maintenance - others	8.07	4.87
Telephone and communication charges	6.35	5.95
Rates and taxes	1.31	1.23
Insurance	0.84	22.19
Travel and conveyance	40.26	28.21
Payment to auditors (refer note below)	2.10	2.10
Legal, professional and secretarial expenses	68.76	58.37
Printing & stationery	4.60	5.16
Bank charges	1.43	1.36
Business promotion	293.75	203.33
Bad debts written off	170.34	-
Security charges	-	1.08
Amortisation of advance given for hotel management contract	31.87	15.89
Net loss on sale of property, plant and equipment	-	14.44
Impairment losses/(reversal) on financial assets	(186.05)	27.41
Miscellaneous expenses	29.67	17.11
Total other expenses	481.67	410.86

Details of payments to auditors

(Rupees in millions)

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



26 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		(Rupees in millions)	
		For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax			
Current tax on Profit for the year		-	-
Tax impact of earlier year		-	-
Total current tax expenses		-	-
Deferred Income tax (benefit)			
Decrease/ (Increase) in deferred tax assets		14.99	34.00
(Decrease)/ Increase in deferred tax liabilities		(14.99)	(34.00)
Total deferred tax expenses/(benefit)		-	-
Income tax expense		-	-
Income tax expense attributable to :			
Profit/(Loss) from operations		-	-
Other comprehensive income/ (loss)		-	-
Total		-	-

(b) Reconciliation of tax expense and accounting profit multiplies by India's tax rate		(Rupees in millions)	
		For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/ (Loss) from operations before income tax expense including remeasurements of post employment benefit obligations		356.81	(152.14)
Tax rate		25.168%	25.168%
Tax		89.80	(38.29)
Tax effect of amounts which are not deductible / taxable in calculating taxable income :			
Disallowance of interest on compulsory convertible debentures (CCDs)		18.56	58.73
Tax losses for which no deferred income tax was recognised		(108.36)	(20.44)
Total		-	-

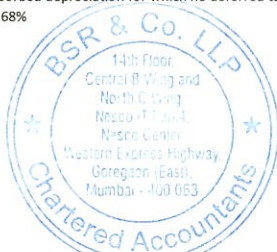
(c) Deferred tax assets (net)		(Rupees in millions)	
The balance comprises temporary differences attributable to:		As at March 31, 2025	As at March 31, 2024
Deferred tax assets			
Lease liabilities		49.29	64.29
Total:		49.29	64.29
Deferred tax liability			
Right of use assets		(49.29)	(64.29)
Total:		(49.29)	(64.29)
Net Total:		-	-

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.

(c) Movement in deferred tax for the year ended March 31, 2025				(Rupees in millions)	
	Balance as on March 31, 2024	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge	Balance as on March 31, 2025	
Deferred tax assets					
Lease liabilities	30.00	19.29	-	49.29	
Deferred tax liability					
Right of use assets	(30.00)	(19.29)	-	(49.29)	
Total deferred tax assets/(liabilities)	-	-	-	-	
	Balance as on March 31, 2023	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge	Balance as on March 31, 2024	
Deferred tax assets					
Lease liabilities	30.00	34.29	-	64.29	
Deferred tax liability					
Right of use assets	(30.00)	(34.29)	-	(64.29)	
Total deferred tax assets/(liabilities)	-	-	-	-	

(d) Unrecognised temporary differences		(Rupees in millions)	
		As at March 31, 2025	As at March 31, 2024
Loss allowance on Trade receivable		151.50	354.80
Plant property and equipment and intangibles assets		267.30	-
Others		42.56	232.55
		461.36	587.35

(e) Tax losses		(Rupees in millions)	
		As at March 31, 2025	As at March 31, 2024
Unused tax losses and unabsorbed depreciation for which no deferred tax asset has been recognised		151.96	605.74
Potential tax benefit @ 25.168%		38.25	152.45
Period of expiry:			
Unabsorbed depreciation		151.96 No Expiration	605.74 No Expiration



27 Fair Value Measurement

(i) Financial instruments by category

As at March 31, 2025

(Rupees in millions)

	FVTPL	FVOCI	Carrying amount	
			Amortised cost	Total carrying value
Financial assets				
Loans	-	-	27.47	27.47
Trade receivables	-	-	764.77	764.77
Cash and cash equivalents	-	-	184.72	184.72
Bank balances other than cash and cash equivalents	-	-	30.15	30.15
Other financial assets	-	-	121.87	121.87
Total financial assets	-	-	1,128.98	1,128.98
Financial liabilities				
Borrowings	-	-	658.32	658.32
Trade payables	-	-	77.69	77.69
Lease liabilities	-	-	222.86	222.86
Other financial liabilities	-	-	96.67	96.67
Total financial liabilities	-	-	1,055.54	1,055.54

As at March 31, 2024

	FVTPL	FVOCI	Carrying amount	
			Amortised cost	Total carrying value
Financial assets				
Loans	-	-	-	-
Trade receivables	-	-	1,054.89	1,054.89
Cash and cash equivalents	-	-	182.74	182.74
Bank balances other than cash and cash equivalents	-	-	-	-
Other financial assets	-	-	56.48	56.48
Total financial assets	-	-	1,294.12	1,294.12
Financial liabilities				
Borrowings	-	-	2,761.98	2,761.98
Trade payables	-	-	51.39	51.39
Lease liabilities	-	-	279.27	279.27
Other financial liabilities	-	-	96.51	96.51
Total financial liabilities	-	-	3,189.15	3,189.15

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 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.

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

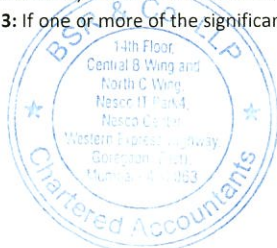
The current lending rate and the rate used in determination of fair value at inception for security deposits is not significantly different. Accordingly, the fair value and carrying value for security deposits is same.

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.



28 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 and other receivables, the maximum exposure to credit risk is the carrying amount of these classes of financial assets presented in the Balance Sheet. These are actively monitored and confirmed by the Company. Currently, the credit risk arising from such security deposits and other receivables is evaluated to be immaterial for the Company.

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 - 10 represent the maximum credit risk exposure.

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

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	337.55	310.14
Loss allowance recognised	-	27.41
Amounts written off	186.05	-
Closing	151.50	337.55

B. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Company's management. 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.

(i) Financing arrangements

(Rs.in millions)

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

(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.

28 Financial Risk Management (Contd.)**Contractual maturities of financial liabilities**

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

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	658.32	658.32	-	-	-	658.32
Lease liabilities	222.86	73.39	76.69	113.33	-	263.42
Trade payables	77.69	77.69	-	-	-	77.69
Other financial liabilities	96.67	96.67	-	-	-	96.67
Total financial liabilities	1,055.54	906.07	76.69	113.33	-	1,096.10



(Rs.in millions)

As at March, 2024	Carrying Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	2,761.98	667.87	-	-	7,671.44	8,339.31
Lease liabilities	279.27	76.07	73.97	190.03	-	340.07
Trade payables	51.39	51.39	-	-	-	51.39
Other financial liabilities	96.51	96.51	-	-	-	96.51
Total financial liabilities	3,189.15	891.84	73.97	190.03	7,671.44	8,827.28

C. Market risk

Market risks comprises of:

- Foreign exchange risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. There is no exposure of foreign currency and hence the management has assessed that there is no foreign currency risk during the year. (March 31, 2024 : Nil)

ii. Foreign exchange sensitivity

There are no foreign currency denominated financial instruments and hence management exposure of foreign currency and hence the management has assessed that there is no foreign exchange risk during the year.

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 Company do not carry variable/floating rate instruments. (During March 31, 2024 The company had outstanding Compulsory Convertible Debentures and Inter-corporate deposits as on reporting date. Interest rates on these instruments are at 10.50% and 12.50% respectively and company do not carry variable/floating rate instruments). Accordingly, interest rate exposure as on March 31, 2025 is Nil (March 31, 2024 : Nil)



29 Capital Management

The company's objectives when managing the capital are to:

- safeguarded their ability to continue as 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.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of net debt (total borrowings and lease liabilities net of cash and cash equivalent).

The gearing ratios were as follows:

Particulars	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Borrowings	658.32	2,761.98
Lease liabilities	222.86	279.27
Less: Cash and Cash Equivalents	(184.72)	(182.74)
Less: Other Balance with bank (short term deposits)	(30.15)	(0.01)
Net Debt	666.31	2,858.50
Total equity	1,851.96	186.56
Net debt to equity ratio	0.36	15.32

30 Segment information:

The Company is engaged in the business of hotel management. 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.

The company has 65% of total revenue (previous year 63%) from the fellow subsidiaries and related party. Refer Related party note 34 for more details.



31 Contingent liabilities

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debt, in respect of -		
Disputed statutory liabilities (refer note below)	1,606.93	-
Total	1,606.93	-

Note:

The breakup of disputed statutory liabilities is as under:

	As at March 31, 2025	As at March 31, 2024
Disputed statutory liabilities		
GST*	1,606.93	-
	1,606.93	-

*1) GST authorities have passed an order under section 73(9) of MGST Act, 2017 in Form GST DRC-07 on August 29, 2024 raising a demand of Rs. 87.55 million (tax - Rs. 42.08 million, interest (calculated till March 31, 2025) - Rs. 41.27 million, penalty - Rs. 4.21 million) pertaining to the financial year 2019-20. The GST authorities have issued Form ADT-02 raising the demand against which the Company has also filed additional submission dated August 26, 2024. The Company has filed a writ petition against the said order before the Hon'ble High Court of Bombay of which the hearing is awaited.

2) GST authorities have issued show cause notice on November 18, 2024 raising a demand of Rs. 1,519.38 million (tax - Rs. 759.69 million, interest (calculated till March 31, 2025) - Rs. 683.72 million, penalty - Rs. 75.97 million). pertaining to the financial year 2020-21. The Company has filed a writ petition against the said SCN before the Hon'ble High Court of Bombay. The Company has filed a writ petition against the said order before the Hon'ble High Court of Bombay of which the hearing is awaited.

32 Commitments

Estimated amount of contracts remaining to be executed on account of property, plant and equipments and not provided for (net of capital advances) amounts to Rs Nil. (March 31, 2024 : Nil)

33 Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit / (Loss) after tax	356.81	(152.14)
Weighted average number of equity shares (basic earnings per share)		
Considered in calculation of Basic EPS (in millions)	36.79	36.79
Considered in calculation of Diluted EPS (in millions)	36.79	36.79
Face value per Equity Share (Rupees)	10.00	10.00
(a) Basic earnings per share	9.70	(4.14)
(b) Diluted earnings per share **	0.00	(4.14)
(c) Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
Profit/ (Loss) attributable to the equity holders of the company used in calculating basic earnings per share:	356.81	(152.14)
Diluted earnings per share		
Profit attributable to the equity holders of the company:		
Used in calculating basic earning per share	356.81	(152.14)
Add: Finance cost saved on convertible debentures	-	233.35
Profit / (Loss) attributable to the equity holders of the company used in calculating diluted earnings per share:	356.81	81.21
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares	1,09,44,597	1,09,44,597
Shares issued on conversion of CCPS	2,58,48,000	
Equivalent shares of share on conversion of CCPS	-	2,58,48,000
Weighted average number of equity shares *	3,67,92,597	3,67,92,597

* Weighted average number of compulsorily 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.



34 Related party transactions

A Name of related parties

I Enterprises where control exists irrespective of whether transactions have taken place or not:

(i) Holding company

Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited), Holding Company (w.e.f. May 31, 2024)
Project Ballet HMA Holdings (DIFC) Private Limited, Holding Company (upto May 30, 2024)

(ii) Fellow subsidiaries

Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited) (up to May 30, 2024)
Schloss Chennai Private Limited
Schloss Udaipur Private Limited
Schloss Gandhinagar Private Limited
Leela Palaces and Resorts Limited
Tulsi Palace Resort Private Limited
Moonburg Power Private Limited (upto May 27, 2023)
Schloss Tadoba Private Limited
Schloss Chanakya Private Limited
Transition Cleantech Services Five Private Limited
Inside India Resorts Private Limited
Anashvish Tiger Camp Private Limited
Buildminds Real Estate Private Limited
Aries holdings (DIFC) Limited
Equinox Business Parks Private Limited
Striton Properties Private Limited (Formerly known as 'Mars Hotels and Resorts Private Limited')
Brookprop Property Management Services Private Limited
Cowrks India Private Limited
Leela BKC holdings Private Limited (formerly known as Transition Cleantech Services Four Private Limited)

II Associate

Lago Vue Srinagar Private Limited

III Key Management Personnel

Mr. Anuraag Bhatnagar, Whole-time Director and Chief Operating Officer upto September 13, 2024 and Non-Executive Director w.e.f. September 14, 2024
Mr. Ravi Shankar, Whole-time Director and Chief Financial Officer upto September 13, 2024 and Non-Executive Director w.e.f. September 14, 2024
Mr. Sougata Kundu, Executive Director w.e.f. January 06, 2025
Mr. Dixit Chauhan, Chief Financial Officer w.e.f. January 06, 2025
Mr. Parag Gupta, Company Secretary w.e.f. May 01, 2025

B Disclosure of transactions between the company and related parties and the status of outstanding balances as at the period end

(Rupees in millions)

Nature of Transaction	Name of related party	For the year ended March 31, 2025	For the Year ended March 31, 2024
Management and operating fees	Schloss Chanakya Private Limited	201.26	190.84
	Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)		
		293.09	221.64
	Schloss Chennai Private Limited	142.32	135.39
	Schloss Udaipur Private Limited	74.51	64.09
	Tulsi Palace Resort Private Limited	113.12	118.41
Cost reimbursement revenue - Reimbursement of expenses received from	Striton Properties Private Limited (Formerly known as 'Mars Hotels and Resorts Private Limited')	6.96	8.12
	Schloss Chanakya Private Limited	73.55	31.41
	Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	79.85	40.45
	Schloss Chennai Private Limited	66.05	36.11
	Schloss Udaipur Private Limited	65.62	37.47
	Schloss Gandhinagar Private Limited	0.90	1.39
	Leela Palaces and Resorts Limited	36.15	21.67
	Tulsi Palace Resort Private Limited	72.59	61.31
	Moonburg Power Private Limited	-	3.40
	Schloss Tadoba Private Limited	0.64	0.10
	Transition Cleantech Services Five Private Limited	0.18	-
	Leela BKC Holdings Private Limited (formerly known as Transition Cleantech Services Four Private Limited)	0.19	-
	Inside India Resorts Private Limited	0.08	-
	Anashvish Tiger Camp Private Limited	0.09	-
	Lago Vue Srinagar Private Limited	12.30	-
Interest expense on lease liability	Equinox Business Parks Private Limited	24.58	25.80
Principal payment of lease liability	Equinox Business Parks Private Limited	51.49	25.17
Rent expense	Equinox Business Parks Private Limited	84.50	3.56
	Cowrks India Private Limited	0.31	0.25
Security deposit paid	Equinox Business Parks Private Limited	-	22.40
	Cowrks India Private Limited	-	0.07
Security deposit refund received	Equinox Business Parks Private Limited	3.93	15.92
Interest income on security deposit	Equinox Business Parks Private Limited	2.53	2.70
Other Income	Equinox Business Parks Private Limited	17.44	-
Other expenses	Brookprop Property Management Services Private Limited	2.43	2.66
Inter corporate deposit Taken	Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	1,605.83	-



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

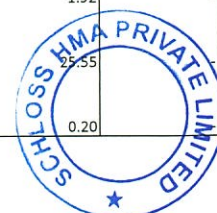
Inter corporate deposit given	Leela Palaces and Resorts Limited	87.50	-
Inter corporate deposit repayment received	Leela Palaces and Resorts Limited	61.95	-
Interest expense on inter corporate deposit	Schloss Chanakya Private Limited	23.18	75.21
	Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	111.54	-
Interest income on inter corporate deposit	Leela Palaces and Resorts Limited	4.61	-
Interest on 10.50% unsecured compulsorily convertible debentures	Project Ballet HMA Holdings (DIFC) Private Limited	73.73	233.35
Managerial remuneration* (short-term employee benefits)	Mr. Anuraag Bhatnagar (upto September 13, 2024)	47.57	55.29
	Mr. Ravi Shankar (upto September 13, 2024)	18.86	21.25
	Mr. Dixit Chauhan (w.e.f. January 06, 2025)	1.52	-
	Mr. Sougata Kundu (w.e.f. January 06, 2025)	2.11	-

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

C Outstanding Balances

	As at March 31, 2025	As at March 31, 2024
Trade receivables**		
Schloss Chanakya Private Limited	116.01	200.59
Schloss Chennai Private Limited	25.89	184.74
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	48.95	170.59
Schloss Udaipur Private Limited	60.49	100.30
Schloss Gandhinagar Private Limited	3.49	2.44
Leela Palaces and Resorts Limited	24.64	15.51
Tulsi Palace Resort Private Limited	55.64	68.19
Moonburg Power Private Limited	-	0.63
Schloss Tadoba Private Limited	0.85	0.11
Leela BKC Holdings Private Limited (formerly known as Transition Cleantech Services Four Private Limited)	0.22	-
Transition Cleantech Services Five Private Limited	0.21	-
Inside India Resorts Private Limited	0.09	-
Anashvish Tiger Camp Private Limited	0.10	-
Striton Properties Private Limited (Formerly known as 'Mars Hotels & Resorts Private Limited')	6.16	2.74
Trade receivables - Unbilled		
Schloss Chanakya Private Limited	-	2.90
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	-	1.89
Schloss Chennai Private Limited	-	1.78
Schloss Udaipur Private Limited	-	2.86
Schloss Gandhinagar Private Limited	-	-
Leela Palaces and Resorts Limited	-	0.00
Moonburg Power Private Limited	-	0.06
Tulsi Palace Resort Private Limited	-	5.33
Schloss Tadoba Private Limited	-	-
Other receivable		
Equinox Business Parks Private Limited	20.58	-
Leela Palaces and Resorts Limited	54.83	-
Lago Vue Srinagar Private Limited	14.27	-
Trade payables		
Equinox Business Parks Private Limited	8.07	0.96
Cowrks India Private Limited	0.03	-
Brookprop Property Management Services Pvt Limited	0.49	-
Lease liability		
Equinox Business Parks Private Limited	222.87	279.27
Security deposit receivables		
Equinox Business Parks Private Limited	37.13	28.21
Cowrks India Private Limited	0.11	0.11
Advance to related Party		
Leela Palaces and Resorts Limited	-	20.96
Financial Liability component of 10.50% unsecured compulsorily convertible debentures		
Project Ballet HMA Holdings (DIFC) Private Limited	-	2,094.11
Equity component of 10.50% unsecured compulsorily convertible debentures		
Project Ballet HMA Holdings (DIFC) Private Limited	-	1,070.70
Inter corporate deposit Taken		
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	658.11	-
Schloss Chanakya Private Limited	-	667.87
Interest receivable on inter corporate deposit		
Leela Palaces and Resorts Limited	1.92	-
Inter corporate deposit Given		
Leela Palaces and Resorts Limited	25.55	-
Interest payable on inter corporate deposit		
Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited)	0.20	-

** The above trade receivables amount is net of trade payables to related parties.



SCHLOSS HMA PRIVATE LIMITED

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

D Corporate Guarantee

Company had given corporate guarantee and created charge over its total assets for the term loan facility to the three fellow subsidiaries and its holding company i.e. Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited), Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Chanakya Private Limited respectively. The company has measured the finance guarantee obligation on the date of transition and on subsequent reporting period the value of the same is not material to financial statements. The guarantee ceases to exist w.e.f. March 28, 2025, however, the charge on the assets of the Company continues to exist.

E Names of related parties where control exists

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

F Terms and conditions

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



35 Ratio Analysis

Ratio Analysis	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% Change	Remarks
Current Ratio	Current Assets	Current liabilities	1.19	1.37	-13%	
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	0.36	14.80	-98%	Decrease in debt-equity ratio is due to repayment of borrowing in current year.
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	2.24	1.67	34%	Increase in debt service coverage ratio is on account of increase in profit before tax and decrease in Interest expenses for the current year as compared to previous year.
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	2.86	0.44	552%	Increase in Trade receivables turnover ratio is on account of increase in Revenue from operations for the current year as compared to previous year.
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	2.08	1.87	11%	
Trade Payables Turnover Ratio	Other Expenses	Average Trade Payables	7.46	6.65	12%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	6.94	10.72	-35%	Decrease in Net capital turnover ratio
Net Profit Ratio	Net Profit after tax	Net Sales	0.19	(0.10)	291%	Increase in Net profit ratio is on account of increase in profit for the current year as compared to previous year.
Return on Capital employed	EBIT	Capital Employed	0.18	0.03	474%	Improvement in return on capital employed as there is significant increase in revenue in current year as compared to previous year.

* The Company has not presented the following ratios due to the reasons given below:
a. Return on investments: since the Company does not holds any funds/investment

36 Other regulatory information required by Schedule III

- a) Details of benami property held:
No proceedings have been initiated on are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- b) Borrowings secured against current assets:
The Company does not have borrowings from banks and financial institutions. Hence, this disclosure is not applicable to the company.
- c) Wilful defaulter:
The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- d) Transaction with Struck off Companies:
The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
- e) Compliance with number of layers of companies:
The Company does not have any investment in companies, hence the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules 2017 is not applicable to the Company.
- f) Compliance with approved scheme of arrangements:
The Company has not entered into any scheme of arrangement which has an accounting impact on current period.
- g) Utilisation of borrowed funds and share premium:
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
(i) 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
(ii) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- h) Undisclosed Income:
There are no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- i) Details of crypto currency or virtual currency:
The Company has not traded or invested in crypto currency or virtual currency during the current period.
- j) Valuation of PP&E, right-of-use assets and intangible assets:
The Company has not revalued its property, plant and equipment (including rights-of-use assets) or intangible assets or both during the current period.



SCHLOSS HMA PRIVATE LIMITED

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

36 Other regulatory information required by Schedule III (Contd.)

k) Title Deeds of immoveable properties:

The Company does not have any immoveable property (other than immovable properties where the Company is lessee and leases agreements are duly executed in favour of lessee as disclosed in **Note 5** to the financial statements), accordingly, this disclosure is not applicable.

l) Registration of Charges or satisfaction with Registrar of Companies:

There are no charges or satisfaction of which are yet to be registered with the Registrar of Companies beyond the statutory period.

m) Utilisation of borrowings availed from banks and financial institutions:

No borrowings obtained by the Company from bank or financial institutions, hence this disclosure is not applicable.

37 Subsequent events

There are no events after the reporting year.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022



Jaymin Sheth

Partner

Membership Number: 114583

Place: Mumbai

Date: May 06, 2025

For and on behalf of the board of directors of

Schloss HMA Private Limited

CIN: U55209TN2019PTC136428



Anurag Bhatnagar

Director

DIN: 07967035

Place: Mumbai

Date: May 06, 2025



Dixit Chauhan

Chief Financial Officer

Place: Mumbai

Date: May 06, 2025



Ravi Shankar

Director

DIN: 07967039

Place: Mumbai

Date: May 06, 2025



Parag Gupta

Company Secretary

Membership No. A50725

Place: Mumbai

Date: May 06, 2025

