

Independent Auditor's Report

To the Members of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

Registered Office:

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

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

Independent Auditor's Report (Continued)

Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Continued)

Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors dated between 03 April 2025 to 16 April 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company have neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility except for an accounting software used for purchases, payables and inventory management where the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes upto 30 May 2024. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with. Additionally, except for the accounting software where the audit trail was not enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- C. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The excess remuneration paid to a director is in accordance with the requisite approval as mandated by the provision of Section 197 of the Act read with schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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


Tarun Kinger
Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 105003

ICAI UDIN:25105003BMMAPI3471

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancy was noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

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

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025 (Continued)

Transactions Act, 1988 and rules made thereunder.

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

Particulars	Advance in the nature of loans (Rs. in millions)	Loans (Rs. in millions)
Aggregate amount during the year-		
– subsidiaries	-	2,017.17
– to employees	3.11	-
Balance outstanding as at balance sheet date-		
– subsidiaries	-	2,017.17
– to employees	2.05	-

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and advances in the nature of loans provided during the year are not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given to subsidiaries are repayable on demand and advances in the nature of loan given to employees (as per policy of the Company is interest free), schedule of repayment is stipulated. The payment of principal and interest have been regular wherever applicable.
- (d) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025 (Continued)

of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan and advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh advance granted to settle the overdues of existing loans and advance in the nature of loans.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties (Rs. in million)
Aggregate of loans/advances in nature of loan - Repayable on demand	2,017.17
Percentage of loans to the total loans	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 ("the Act") with respect of loans granted by the Company. The Company has not given any guarantees or security to parties covered under Section 185 of the Act. Further, in terms of Section 186(11) of the Act, the Company is exempt from the provisions of Section 186 except Section 186(1) since the Company is engaged in the business of providing infrastructure facilities. Accordingly, the relevant provisions of Section 186 are not applicable to the loans granted by the Company. The Company has complied with the provisions of Section 186 of the Act with respect to the investments made.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the goods sold and services rendered by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025 (Continued)

of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax and Service Tax or Cess or other statutory dues, which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax, Interest and Penalty	97.80	-	April 2007 - December 2012	Customs Excise and Service Tax Appellate Tribunal	Nil
Finance Act, 1994	Service Tax, Interest and Penalty	6.25	-	October 2014 - March 2016	Commissioner of Central Excise (Appeals)	Nil
State & Central Sales Tax, 1956	Tax, Interest and Penalty	49.69	-	FY 2006-2010	CESTAT	Nil
Central Goods and Services Tax Act, 2017	Tax, Interest and Penalty	58.09	-	FY 2020-2023	First Appellate Authority	Nil

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025 (Continued)

joint venture as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of the private placement of compulsorily convertible preference shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of compulsorily convertible preference shares have been used for the purposes for which the funds were raised other than Rs 9,983.22 million which remains unutilised as at 31 March 2025. The Company has temporarily invested such unutilised balance in fixed deposits as at 31 March 2025.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanation provided to us, there is no core investment company within the Group (as per the provision of Core Investment Company (Reserve Bank) Directors 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025 (Continued)

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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


Tarun Kinger
Partner

Membership No.: 105003

ICAI UDIN:25105003BMMAPI3471

Place: Mumbai

Date: 06 May 2025

Annexure B to the Independent Auditor's Report on the standalone financial statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2025 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.:101248WW-100022


Tarun Kinger
Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 105003

ICAI UDIN:25105003BMMAPI3471

Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Standalone 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	12,160.99	11,993.37
Right-of-use assets	4	2,405.25	2,248.49
Capital work-in-progress	3	563.25	234.58
Investment properties	6 (i)	1,683.73	1,688.93
Investment properties under construction	6 (ii)	296.11	-
Goodwill	5	757.20	757.20
Other intangible assets	5	384.20	392.60
Financial assets			
(i) Investments	7	47,239.96	0.19
(ii) Other financial assets	8	10,559.85	309.37
Non-current tax assets (net)	10	97.84	74.68
Other non-current assets	9	176.89	191.97
Total non-current assets		76,325.27	17,891.38
Current assets			
Inventories	11	75.28	95.92
Financial assets			
(i) Loans	12	2,075.72	-
(ii) Trade receivables	13	134.42	90.85
(iii) Cash and cash equivalents	14	396.10	97.94
(iv) Bank balances other than cash and cash equivalents	15	373.27	616.28
(v) Other financial assets	8	148.01	8.31
Other current assets	9	610.53	69.82
Total current assets		3,813.33	979.12
TOTAL ASSETS		80,138.60	18,870.50
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	2,764.87	201.70
Other equity			
-Equity component of compound financial instruments	17 (a)	-	603.09
-Reserves and surplus	17 (b)	60,662.88	(1,053.66)
Total equity		63,427.75	(248.87)
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	12,574.70	14,071.43
(ii) Lease liabilities	4	2,100.88	1,824.15
(iii) Other financial liabilities	21	67.10	59.62
Other non-current liabilities	22	10.97	9.57
Deferred tax liabilities (net)	23	236.36	-
Provisions	19	34.52	28.43
Total non-current liabilities		15,024.53	15,993.20
Current liabilities			
Financial liabilities			
(i) Borrowings	18	1,198.60	2,674.64
(ii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	20	9.59	12.45
(b) Total outstanding dues other than (a) above	20	226.43	257.23
(iii) Other financial liabilities	21	100.98	69.56
Other current liabilities	22	144.10	103.71
Provisions	19	6.62	8.58
Total current liabilities		1,686.32	3,126.17
Total liabilities		16,710.85	19,119.37
TOTAL EQUITY AND LIABILITIES		80,138.60	18,870.50
Summary of material accounting policies	2		

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership Number : 105003

Place: Mumbai
Date : May 6, 2025

For and on behalf of the board of directors of
Schloss Bangalore Limited
(formerly known as "Schloss Bangalore Private Limited")
CIN: U55209DL2019PLC347492

Anuraag Bhatnagar
Executive Director
DIN: 07967035

Place: Mumbai
Date : May 6, 2025

Ashank Kothari
Director
DIN: 08565174

Place: Mumbai
Date : May 6, 2025

Ravi Shankar
Chief Financial Officer

Place: Mumbai
Date : May 6, 2025

Jyoti Maheshwari
Company Secretary
Membership Number: ACS24469

Place: Mumbai
Date : May 6, 2025



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Standalone 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	24	3,751.11	3,224.42
Other income	25	990.59	294.53
Total income		4,741.70	3,518.95
Expenses			
Cost of food and beverages	26	310.61	266.35
Employee benefits expense	27	593.92	511.58
Finance costs	28	1,888.32	1,690.47
Depreciation and amortisation expenses	29	276.15	250.04
Other expenses	30	1,094.75	929.02
Total expenses		4,163.75	3,647.46
Profit/(Loss) before tax		577.95	(128.51)
Income tax expense			
-Current tax	32	-	-
-Deferred tax	32	235.60	-
Total tax expense		235.60	-
Profit/(Loss) for the year		342.35	(128.51)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	40	3.01	(5.62)
Income tax relating to these items	32	(0.76)	-
Other comprehensive Profit/ (loss) for the year, net of tax		2.25	(5.62)
Total comprehensive Profit/ (loss) for the Year		344.60	(134.13)
Earnings per share attributable to owners:			
Basic earnings per share (in INR) (Face value Rs.10 each)	39	1.41	(3.65)
Diluted earnings per share (in INR) (Face value Rs.10 each)	39	1.41	(3.65)
Summary of material accounting policies	2		

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
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Iyoti Maheshwari
Company Secretary
Membership Number: ACS24469

Place: Mumbai
Date : May 6, 2025



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Standalone Statement of cash flows for the year ended March 31, 2025

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flows from operating activities		
Profit/(Loss) before tax for the Year	577.95	(128.51)
Adjustments for:		
Depreciation and amortisation	276.15	250.04
Finance costs	1,888.32	1,690.47
Net (gain)/loss on disposal of property, plant and equipment	(0.79)	(7.95)
Changes in fair value of financial assets at fair value through profit or loss	(97.85)	-
Net impairment losses/(reversal) on financial assets	(1.14)	(3.42)
Net foreign exchange differences	0.59	0.38
Unwinding of discount on security deposits	-	(0.22)
Interest income	(646.57)	(46.40)
Operating cash flows before working capital changes	1,996.66	1,754.39
Working capital movements:		
(Increase)/decrease in inventories	20.64	(7.82)
(Increase)/decrease in trade receivables	(42.43)	38.96
(Increase)/decrease in other financial assets	(147.34)	(9.27)
(Increase)/decrease in other current assets	(540.71)	(14.13)
(Increase)/decrease in other non-current assets	(2.40)	(19.80)
Increase/(decrease) in trade payables	(34.25)	101.72
Increase/(decrease) in other current liabilities	40.39	(31.80)
Increase/(decrease) in other non-current liabilities	1.40	(7.49)
Increase/(decrease) in other financial liabilities	52.27	1.75
Increase/(decrease) in provisions	7.14	4.16
Cash generated from operations	1,351.37	1,810.67
Income taxes (paid)/refund, net	(23.16)	(36.41)
Net cash flows generated from operating activities (A)	1,328.21	1,774.26
B. Cash flows from investing activities		
Payments for property, plant and equipment including investment properties	(695.09)	(783.35)
Proceeds from sale of property, plant and equipment	0.79	7.93
Payment for other intangible assets	-	(0.43)
Payments towards investment properties under construction	(296.11)	-
Inter corporate deposits given	(2,965.01)	-
Inter-corporate deposit repayment received from related party	947.71	-
Loan given to others	-	-
Bank deposits placed	(36,731.78)	(880.29)
Bank deposits matured	26,855.47	229.56
Purchase of non-current investments	-	-
Payment for acquisition of subsidiaries	(36,018.87)	-
Payment for purchase of CCPS issued by subsidiaries	(11,123.05)	-
Interest received	299.33	44.65
Interest received on ICD	165.13	-
Net cash flows used in investing activities (B)	(59,561.48)	(1,381.93)
C. Cash flows from financing activities		
Proceeds from borrowings from related parties	459.40	1,382.03
Proceeds from compulsorily convertible preference shares	62,210.30	-
Proceeds from borrowings from others	763.65	-
Repayments of borrowings from others	(784.37)	(518.45)
Repayments of borrowings to related parties	(2,100.37)	-
Payment of interest on CCD conversion	(505.19)	-
Finance costs paid to related parties	(162.72)	-
Finance costs paid other than on lease liabilities	(1,232.96)	(1,463.89)
Finance costs paid on lease liabilities	(116.31)	(103.42)
Net cash flows generated from financing activities (C)	58,531.43	(703.73)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	298.16	(311.40)
Cash and cash equivalents as at beginning of the year	97.94	409.34
Cash and cash equivalents at the end of the year	396.10	97.94
Reconciliation of cash and cash equivalents as per the cash flow statements:		
Cash and cash equivalents comprise of the following:		
Cash on hand	1.24	0.99
Balance with banks		
- in current account	173.77	91.88
- in fixed deposit account with original maturity of less than 3 months	221.09	5.07
Total cash and cash equivalents as at year end	396.10	97.94

Supplemental information to the cashflow

Changes in liabilities arising from financing activities

Particulars	Liabilities from Financing Activities		
	Borrowings	Lease liabilities	Total
Balance as at April 1, 2023	15,913.94	1,749.62	17,663.56
Principal liability Cashflows (net)	863.58	-	863.58
Interest payment	(1,463.89)	(103.42)	(1,567.31)
Gain on account of modification in the terms of compound financial instruments	(96.38)	-	(96.38)
Finance Cost accrued during the period	1,528.65	177.95	1,706.60
Closing balance as at March 31, 2024	16,745.90	1,824.15	18,570.05
Closing balance as at March 31, 2024	16,745.90	1,824.15	18,570.05
Principal liability Cashflows (net)	(2,737.54)	-	(2,737.54)
Interest payment	(1,440.45)	(116.31)	(1,556.76)
New lease additions	-	191.26	191.26
Impact of early conversion of CCD	(505.19)	-	(505.19)
Finance Cost accrued during the period	1,710.58	201.78	1,912.36
Closing balance as at March 31, 2025	13,773.30	2,100.88	15,874.18

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership Number : 105003

Place: Mumbai
Date : May 6, 2025

For and on behalf of the board of directors of
Schloss Bangalore Limited
(formerly known as "Schloss Bangalore Private Limited")
CIN: U55209DL2019PLC347492

Anurag Bhatnagar
Executive Director
DIN: 07967033
Place: Mumbai
Date : May 6, 2025

Ashank Kothari
Director
DIN: 08565174
Place: Mumbai
Date : May 6, 2025

Ravi Shankar
Chief Financial Officer
Place: Mumbai
Date : May 6, 2025

Jyoti Maheshwari
Company Secretary
Membership Number: ACS24469
Place: Mumbai
Date : May 6, 2025



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Standalone Statement of changes in equity for the year ended March 31, 2025

A. Equity share capital	
Particulars	Amount
Balance as at April 1, 2023	201.70
Changes in equity share capital	-
Balance as at March 31, 2024	201.70
Changes in equity share capital	2,563.17
Balance as at March 31, 2025	2,764.87

B. Other equity		(Rupees in millions)				
Particulars	Notes	Equity component of compound financial	Securities premium	Retained earnings	Reserves and surplus	Total
				Retained earnings - fair value as deemed cost	Other Equity	
Balance as at April 1, 2023	17 (b)	506.71	1,691.94	(3,881.51)	1,270.04	(412.82)
Loss for the year	17 (b)	-	-	(128.51)	-	(128.51)
Other comprehensive income/(loss) for the year, net of tax	17 (b)	-	-	(5.62)	-	(5.62)
Gain on account of modification in the terms of compound financial instruments	17 (b)	96.38	-	-	-	96.38
Balance as at March 31, 2024	17 (b)	603.09	1,691.94	(4,015.64)	1,270.04	(1,053.66)
Profit for the year	17 (b)	-	-	342.35	-	342.35
Other comprehensive income for the year, net of tax	17 (b)	-	-	2.25	-	2.25
(Loss) on account of settlement of compound financial instruments	17 (b)	-	-	-	(113.53)	(113.53)
Change during the year	17 (a)	(603.09)	61,149.88	-	-	61,149.88
Residual value at inception of CCPS (refer note 17)		55,761.16			335.59	56,096.75
Loss on account of remeasurement of CCPS		(55,761.16)				(55,761.16)
Balance as at March 31, 2025		-	62,841.82	(3,671.04)	1,270.04	60,662.88

The notes referred to above form an integral part of the standalone 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 Bangalore Limited
(formerly known as "Schloss Bangalore Private Limited")

CIN: U55209DL2019PLC347492

Tarun Kinger
Partner
Membership Number : 105003
Place: Mumbai
Date : May 6, 2025

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Executive Director
DIN: 07967035
Place: Mumbai
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DIN: 08565174
Place: Mumbai
Date : May 6, 2025

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Chief Financial Officer
Place: Mumbai
Date : May 6, 2025

Jyoti Maheshwari
Company Secretary
Membership Number: ACS24469
Place: Mumbai
Date : May 6, 2025



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to Standalone Financial Statements for the year ended March 31, 2025

1 Company information

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

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

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

Rounding of amounts :

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

2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 ("the Act") as amended from time to time. The financial statements are prepared in Indian rupees in millions.

Historical cost convention

The financial statements have been prepared on historical cost basis, except for the following -

- certain financial assets and liabilities - measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

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

2.2 Critical Accounting estimates and judgements

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

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

- Impairment Testing: Property, plant and equipment and other intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer Note 5 for further details. Goodwill is tested for impairment annually.

- Income Taxes: Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss. Refer Note 32 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 32 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 40 for further details.

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

- Fair value Measurement of Financial Instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible. Refer Note 33 for further details.

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

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



2.3 Going Concern

The Company has generated profit of Rs.344.56 millions during the year ended 31 March 2025, has accumulated losses of Rs.3,671.07 millions and net worth of Rs.63,427.71 millions at 31 March 2025 and as of that date, the Company's current assets exceeded its current liabilities by Rs.2,127.01 millions.

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

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

2.4 Current / Non-current classification

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

Assets

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

Current assets include the current portion of non-current assets

All other assets are classified as non-current.

2.4 Current / Non-current classification (continued)

Liabilities

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

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

Operating cycle

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

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

2.5 Material Accounting Policies

a) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is Indian Rupee.

(ii) Transactions and balances

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

(iii) Subsequent measurement

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

b) Cash flow statement

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

b1) Cash and cash equivalents

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

c) Earnings per share

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

d) Revenue recognition and other income

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

Income from operations-

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

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

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



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

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

A contract liability is recognised where the customer has paid in advance, but the services are yet to be rendered by the Company or the payment exceeds the services rendered. A deferred revenue is recognised for revenue where performance obligations under the sales contract are to be satisfied.

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

Space and Shop Rentals

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

Interest income

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

Government Grants

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

e) Property, plant and equipment

Property, plant and equipment are stated at cost which includes capitalised borrowing costs, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to the Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

The useful lives have been determined as per the useful life prescribed in Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

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

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

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

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

f) Intangible assets

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

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

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

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

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



g) Investment properties

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

Investment property under Construction represents projects under which the Investment property are not yet ready for their intended use and are carried at cost determined as aforesaid.

h) Impairment of assets

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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) Taxation

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

Current tax

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

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

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

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

i) Employee benefits

Short term employee benefits

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

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

Long term employee benefits

Defined contribution plans

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

Defined benefit plans

(Post-employment benefit)

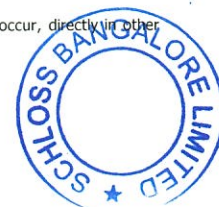
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted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

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.



Other long-term employee benefits Compensated absences

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

k) Inventories

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

l) Provisions, contingent liabilities and contingent assets

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

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

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

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

m) Financial instruments

(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.

-Equity instruments

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

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

Compound financial instruments

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

Trade and other receivables

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

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



Classification & measurement of financial liabilities

Trade and other payables

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

Borrowings

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

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

Derecognition of financial asset & financial liabilities

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

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

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

Gain or loss on derecognition

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

Impairment of financial assets

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

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

Offsetting of financial asset and liabilities

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

n)

Leases

i. As a lessee

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

Right of use assets

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

Lease Liabilities

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

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

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

Variable lease

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

Short-Term Leases and Leases of Low-Value Assets

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

Disclosure of lease liabilities and assets in balance sheet

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

ii. As a lessor

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

iii. Classification of lease

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

o)

Borrowing costs

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

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



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

	Building	Freehold land	Plant and machinery (including windmill)*	Furniture and fixtures	Office equipment	Computers and data processing units	Vehicles	Total	(Rupees in millions) Capital work-in- progress
Year ended March 31, 2024									
Gross carrying amount	3,811.40	7,375.98	495.34	63.10	0.71	29.00	53.73	11,829.25	63.10
As at April 1, 2023	287.66	-	217.53	50.93	-	4.66	-	560.78	724.43
Additions#	-	-	7.03	0.00	-	-	-	7.03	552.95
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2024	4,099.06	7,375.98	705.83	114.02	0.71	33.66	53.73	12,382.99	234.58
Accumulated depreciation									
As at April 1, 2023	87.56	-	97.48	3.70	0.48	9.33	17.07	215.61	-
Charge for the year	88.24	-	56.41	11.73	0.17	10.77	13.72	181.03	-
Disposals	-	-	7.03	0.00	-	-	-	7.03	-
Closing accumulated depreciation as at March 31, 2024	175.80	-	146.86	15.43	0.65	20.10	30.79	389.62	-
Net carrying amount as at March 31, 2024	3,923.26	7,375.98	558.97	98.59	0.06	13.57	22.94	11,993.37	234.58
Year ended March 31, 2025									
Gross carrying amount									
As at April 1, 2024	4,099.06	7,375.98	705.83	114.02	0.71	33.66	53.73	12,382.99	234.58
Additions#	210.63	-	96.08	60.68	-	3.90	-	371.29	699.95
Disposals/Capitalisation	-	-	0.99	-	-	-	-	0.99	371.29
Closing gross carrying amount as at March 31, 2025	4,309.69	7,375.98	800.92	174.70	0.71	37.56	53.73	12,753.29	563.25
Accumulated depreciation									
As at April 1, 2024	175.80	-	146.86	15.43	0.65	20.10	30.79	389.62	-
Charge for the year	98.90	-	62.30	18.89	0.03	10.67	12.88	203.66	-
Disposals	-	-	0.99	-	-	-	-	0.99	-
Closing accumulated depreciation as at March 31, 2025	274.70	-	208.17	34.32	0.68	30.77	43.67	592.29	-
Net carrying amount as at March 31, 2025	4,034.99	7,375.98	592.75	140.38	0.03	6.79	10.06	12,160.99	563.25

* The windmills acquired by the Company under the Business Transfer Agreement (BTA) entered with HLV Limited are situated on a forest land which was leased to Sarjan Realities Limited by the Ministry of Environment, Forest and Climate Change (MoEF&CC). The registration for sub-lease of the said land from Sarjan Realities Limited to HLV Limited and thereafter to the Company is pending to be executed.
Includes interest capitalised amounting to Rs. 20.18 millions for March 31, 2025 and Rs.8.86 millions for March 31, 2024.

Note:

Freehold land and building are provided as collateral security against the term loans availed by the Company (Refer Note 18)
Contractual Obligations: Refer Note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment
The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

Capital work in progress (CWIP)

Capital work-in-progress mainly comprises renovations of hotel and investment property in India.

Ageing of CWIP

As at March 31, 2025

	Amount in Capital work in progress for a year of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress	451.38	106.37	5.50	-
Projects temporarily suspended	-	-	-	-
				563.25

As at March 31, 2024

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

See Note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

4 Leases

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

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

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Right-of-use assets		
- Building	2,398.14	2,240.62
- Plant and machinery	7.11	7.87
	2,405.25	2,248.49

	As at March 31, 2025	As at March 31, 2024
Lease liabilities		
Lease liabilities - Current	-	-
Lease liabilities - Non current	2,100.88	1,824.15
	2,100.88	1,824.15

Additions to right-of-use assets during the year is Rs.215.39 millions (March 31, 2024 Rs. 7.14 millions) towards building.

(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	For the year ended March 31, 2024
Depreciation charge of right-of-use assets	29		
- Building		57.88	53.98
- Plant and machinery		0.76	0.76
Interest expense (included in finance costs)	28	201.78	177.95
Expense relating to short-term leases (included in other expenses)	30	-	11.01

The total cash outflow for leases for the year ended March 31, 2025 was Rs. 116.31 millions (March 31, 2024 Rs. 114.43 millions)

(iii) Extension and termination options

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

Critical judgements in determining the lease term:

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



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

5 Intangible assets and goodwill

(Rupees in millions)

	Computer software	Right to access the parking space	Total	Goodwill
Year ended March 31, 2024				
Gross Carrying Amount				
As at April 1, 2023	7.08	402.80	409.87	757.20
Additions	0.43	-	0.43	-
Disposals	-	-	-	-
Closing gross carrying amount as at March 31, 2024	7.51	402.80	410.31	757.20
Accumulated amortisation				
As at April 1, 2023	1.65	7.00	8.65	-
Charge for the year	2.03	7.02	9.05	-
Disposals	-	-	-	-
Closing accumulated amortisation as at March 31, 2024	3.68	14.02	17.70	-
Net carrying amount as at March 31, 2024	3.83	388.78	392.60	757.20
Year ended March 31, 2025				
Gross carrying amount				
As at April 1, 2024	7.51	402.80	410.31	757.20
Additions	0.24	-	0.24	-
Disposals	-	-	-	-
Closing gross carrying amount as at March 31, 2025	7.75	402.80	410.55	757.20
Accumulated amortisation				
As at April 1, 2024	3.68	14.02	17.70	-
Charge for the year	1.65	7.00	8.65	-
Disposals	-	-	-	-
Closing accumulated amortisation as at March 31, 2025	5.33	21.02	26.35	-
Net carrying amount as at March 31, 2025	2.42	381.78	384.20	757.20

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

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/entities, is allocated to a cash generating unit "CGU" representing the lowest level with the company at which goodwill is monitored for internal management reporting purposes. The carrying value of the cash generating unit is the carrying value of the net assets of the entity.

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

The carrying amount of goodwill is Rs. 757.20 millions (March 31, 2024 - Rs. 757.20 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 (pre-tax) 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 2025 did not result in any impairment of goodwill.



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

6 Investment properties and Investment properties under construction

6 (i) Investment properties

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Gross carrying amount (measured at cost)		
Opening gross carrying amount	1,699.35	1,699.35
Additions	-	-
Disposals	-	-
Closing gross carrying amount	1,699.35	1,699.35
Accumulated depreciation		
Opening accumulated depreciation	10.42	5.20
Charge for the year	5.20	5.22
Closing accumulated depreciation	15.62	10.42
Net carrying amount	1,683.73	1,688.93

6 (ii) Investment properties under construction

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Opening	-	-
Additions during the year#	296.11	-
Transferred to investment properties	-	-
Closing gross carrying amount	296.11	-

Includes interest capitalised amounting to Rs.9.63 millions for March 31, 2025 (March 31, 2024 Rs.Nil)

(iii) Amounts recognised in profit or loss for investment

Rental income recognised by the Company was included in 'Other income' (refer note 25). Power and fuel, repairs and maintenance expense, property taxes, included in 'other expenses' (refer note 30)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental income from operating leases	227.31	216.79
Direct operating expenses from property that generated rental income	(44.45)	(72.46)
Direct operating expenses from property that did not generate rental income	(2.96)	(2.78)
Profit from investment properties before depreciation	179.90	141.56
Depreciation	5.20	5.22
Profit from investment properties	174.70	136.34

(iv) Contractual obligations

See note 38 for disclosure of contractual obligations to purchase, construct or develop investment properties or for its repairs, maintenance or enhancements.

(v) Leasing arrangements

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

Minimum lease payments receivable on leases of investment properties

	As at March 31, 2025	As at March 31, 2024
Within 1 year	202.83	169.65
Between 1 and 2 years	219.48	171.43
Between 2 and 3 years	125.23	185.36
Between 3 and 4 years	42.68	89.37
Between 4 and 5 years	39.23	3.45
Later than 5 years	118.13	-

(vi) Fair value

	As at March 31, 2025	As at March 31, 2024
Investment properties (including under construction)	3,505.11	2,852.00

Estimation of fair value

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

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

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

(vii) Presenting cash flows

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

(viii) Ageing of investment properties under construction

	Amount in Capital work in progress for a year				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	296.11	-	-	-	296.11
Projects temporarily suspended	-	-	-	-	-

See note 38 for disclosure of contractual obligations to purchase, construct or develop investment properties or for its repairs, maintenance or enhancements.

There are no projects under investment property under construction whose completion is overdue or has exceeded its cost compared to its original plan.



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

7 Investments

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Investment in equity instruments (unquoted) (measured at FVTPL)		
18,600 equity shares of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	0.19	0.19
Investment in CCPS of Schloss Chanakya Private Limited	1,250.90	-
Investment in CCPS of Buildminds Real estate Private Limited	4.14	-
Investment in subsidiaries (unquoted) (measured at cost)		
36,792,597 equity shares of Rs. 10 each fully in Schloss HMA Private Limited	12,153.33	-
31,239,130 equity shares of Rs. 10 each fully in Schloss Chennai Private Limited	10,110.86	-
111,023,076 equity shares of Rs. 10 each fully in Schloss Chanakya Private Limited	11,450.92	-
10,000 equity shares of Rs. 10 each fully in Schloss Gandhinagar Private Limited	18.52	-
2,728,130 equity shares of Rs. 10 each fully in Leela Palaces and Resorts Limited	1,742.81	-
1,000 equity shares of Rs. 10 each fully in Schloss Tadoba Private Limited	0.01	-
509,998 equity shares of Rs. 10 each fully in Inside India resorts Private Limited	302.87	-
20,935,042 equity shares of Rs. 10 each fully in Anasvish Tiger Camp Private Limited	209.35	-
31,662 equity shares of Rs. 10 each fully in Buildminds Real estate Private Limited	0.03	-
10,000 equity shares of Rs. 10 each fully in Leela BKC Holdings Limited	0.10	-
(Formerly Known As Transition Cleantech Services Four Private Limited)		
10,000 equity shares of Rs. 10 each fully in Transition Cleantech Services Five Private Limited	0.10	-
Investment in equity instruments (unquoted) (measured at amortised cost)	9,969.96	-
Investment in CCPS of Buildminds Real estate Private Limited (measured at amortised cost)	25.87	-
	47,239.96	0.19
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	47,239.96	0.19
Aggregate amount of impairment in the value of investments	-	-

8 Other financial assets

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Fixed deposit account with original maturity of more than 12 months*	10,524.11	281.15
Margin money deposits with original maturity of more than 12 months**	0.38	0.42
Security deposits	35.36	27.80
Total	10,559.85	309.37

*Fixed deposit of Rs. 202.41 millions (Rs. 272.23 millions) is restricted for withdrawal, out of which Rs. 202.41 millions (Rs.2.55 millions) is against Bank guarantee, Rs Nil millions (Rs 269.68 millions) is against term loans availed during the period and Rs.Nil is against letter of credit.

**Margin Money of Rs. 0.38 millions (Rs.0.42 millions) for margin given for Bank guarantee.

Current

Security deposits	-	1.85
Interest accrued on deposits	-	-
Other receivables (Refer Note 41)	148.01	6.46
Total	148.01	8.31

9 Other assets

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances	117.20	134.68
Prepaid expenses	3.71	7.60
Lease equalisation reserve	55.98	49.69
Total	176.89	191.97
Current		
Balances with government authorities		
- With GST authorities	99.91	19.06
Advance to employees	4.20	1.67
Advance to suppliers	26.05	11.93
Prepaid expenses*	480.37	37.16
Total	610.53	69.82

* Includes eligible expenses incurred in connection with proposed initial public offer of equity shares of the Company amounting to Rs. 441.47 millions for the year ended March 31, 2025 (March 31,2024 : Nil) recoverable from selling shareholders or adjustable against securities premium portion of the IPO proceeds.



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

10 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 provision of tax)	97.84	74.68
Non current tax assets/(liabilities) (net)	97.84	74.68

Movement of Non-current tax assets	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Opening balance	74.68	36.50
Less: Current tax payable for the year	-	-
Add: Taxes paid/ (refund received)	23.16	38.18
Closing balance	97.84	74.68

11 Inventories	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Food and beverages	66.72	71.62
Stores and operating supplies	8.56	24.30
Total	75.28	95.92

Inventory written down during the year is Rs. Nil (Previous year Rs. Nil)
The amount of inventories is pledged as security against the Company's borrowings (refer note 18)

12 Loans	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Inter-corporate deposit	2,075.72	-
Less: Loss allowance	-	-
Loan to others	-	-
Total	2,075.72	-

13 Trade receivables	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers – billed	107.22	77.57
Trade receivables from contract with customers – unbilled	30.15	17.24
Trade receivables from contract with customers – related parties (refer note 41)	0.08	0.20
Less: Loss allowance	(3.03)	(4.17)
Total	134.42	90.85
Current portion	134.42	90.85
Non-current portion	-	-
Break-up of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	137.45	95.02
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total	137.45	95.02
Loss allowance	(3.03)	(4.17)
Total	134.42	90.85

Note:

- (i) Trade receivables are non-interest bearing and are generally on payment terms of 0 to 30 days.
(ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 41.
(iii) For related party balances refer note 41.
(iv) The receivable is "unbilled" because the Company has not yet issued an invoice, however, the balance has been included under trade receivable (as opposed to contract assets) because it is an unconditional right to consideration.



Ageing of trade receivables as at March 31, 2024

Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

14 Cash and cash equivalents

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- in current accounts	173.77	91.88
- in fixed deposit account with original maturity of less than 3 months	221.09	5.07
Cash on hand	1.24	0.99
Total	396.10	97.94

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

15 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	373.27	616.28
Total	373.27	616.28

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Fixed deposit of Rs.373.09 millions (March 31, 2024 Rs. 596.65 millions) is restricted for withdrawal, out of which Rs.360.76 millions (March 31, 2024 Rs. 35.42 millions) is against term loans availed during the period, Rs.Nil millions (March 31, 2024 Rs. 505.62 millions) is against an overdraft facility availed by the Company's related party, Schloss Chanakya Private Limited, Rs. 9.34 millions (March 31, 2024 Rs. 55.60 millions) is against letter of credit and Rs.2.99 (March 31, 2024 Rs. Nil) against bank guarantee.



16 Equity share capital

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Authorised		
6,567,500,000 (March 31 2024:675,000.00) equity shares of Rs. 10 each	65,675.00	675.00
Issued, subscribed and paid up		
276,486,614 (March 31 2024:20,169,566) equity shares of Rs. 10 each, fully paid-up	2,764.87	201.70
Total	2,764.87	201.70

(i) Movements in equity share capital

(a) Authorised share capital

	No. of shares	Amount
As at April 1, 2023	6,75,00,000	675.00
Increase/(decrease) during the year	-	-
As at March 31, 2024	6,75,00,000	675.00
Increase/(decrease) during the period	6,50,00,00,000	65,000.00
As at March 31, 2025	6,56,75,00,000	65,675.00

(b) Issued, subscribed and paid up

	No. of shares	Amount
Equity shares		
As at April 1, 2023	2,01,69,566	201.70
Changes in equity share capital	-	-
As at March 31, 2024	2,01,69,566	201.70
Shares issued during the period		
Bonus shares	14,07,88,256	1,407.88
On Conversion of CCD	1,50,27,498	150.27
On Conversion of CCPS	10,05,01,294	1,005.01
As at March 31, 2025	27,64,86,614	2,764.87

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.

Terms, rights, preferences and restrictions attached to preference shares

(ii) Shares of the Company held by holding company

	As at March 31, 2025	As at March 31, 2024
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company	17,59,85,315	2,01,69,565
BSREP III India Ballet Holdings (DIFC) Limited, intermediate holding company	5	1

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

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
Equity Shares:				
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited	17,59,85,315	63.65%	2,01,69,565	99.99%
Project Ballet Chennai Holdings (DIFC) Pvt. Ltd.	1,63,34,179	5.91%	-	-
Project Ballet HMA Holdings (DIFC) Pvt. Ltd.	1,96,33,813	7.10%	-	-
BSREP III Tadoba Holdings (DIFC) Pvt. Ltd.	4,37,18,480	15.81%	-	-

(iv) Details of shareholding of promoters and promoter group

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 period
Equity Shares:			
Project Ballet Bangalore Holdings (DIFC) Private Limited	17,59,85,315	63.65%	-36.34%
BSREP III India Ballet Holdings (DIFC) Limited	5	0.00%	-0.01%
Project Ballet Chennai Holdings (DIFC) Private Limited	1,63,34,179	5.91%	5.91%
Project Ballet HMA Holdings (DIFC) Private Limited	1,96,33,813	7.10%	7.10%
Project Ballet Gandhinagar Holdings (DIFC) Private Limited	28,45,442	1.03%	1.03%
BSREP III Tadoba Holdings (DIFC) Private Limited	4,37,18,480	15.81%	15.81%
Project Ballet Udaipur Holdings (DIFC) Private Limited	66,87,984	2.42%	2.42%
BSREP III Joy (Two) Holdings DIFC Limited	1,12,81,396	4.08%	4.08%
	27,64,86,614	100.00%	-

As at March 31, 2024

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

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

On July 11, 2024 the Company has approved issuance of bonus shares in the ratio of 4:1 i.e. 4 bonus shares for each equity share.



17 (a) Equity component of compound financial instruments

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Opening balance	603.09	506.71
Residual value at inception of CCPS (refer note 17 (b))	55,761.16	-
Conversion of CCPS into equity	(55,761.16)	-
Add: Gain on account of modification in the terms of compound financial instruments	-	96.38
Less: Extinguishment of compound financial instruments	(603.09)	-
Total	-	603.09

17 (b) Reserves and surplus

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Securities premium	62,841.82	1,691.94
Retained earnings	(3,671.04)	(4,015.64)
Retained earnings - fair value as deemed cost	1,270.04	1,270.04
Other equity	222.06	-
Total	60,662.88	(1,053.66)

17 (b) Reserves and surplus

Securities premium

	As at March 31, 2025	As at March 31, 2024
Opening balance	1,691.94	1,691.94
Addition on account of Conversion of CCPS	61,205.29	-
Addition on account of Conversion of CCDs	1,352.47	-
Utilization on account of Bonus issue	(1,407.88)	-
Closing balance	62,841.82	1,691.94

Retained earnings

	As at March 31, 2025	As at March 31, 2024
Opening balance	(4,015.64)	(3,881.51)
Net Profit/ (loss) for the period	342.35	(128.51)
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post employment benefit obligations, net of tax	2.25	(5.62)
Closing balance	(3,671.04)	(4,015.64)

Retained earnings - fair value as deemed cost

	As at March 31, 2025	As at March 31, 2024
Opening balance	1,270.04	1,270.04
Add: Additions	-	-
Closing balance	1,270.04	1,270.04

Other Equity

	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Less: (Loss) on early conversion of CCD	(113.53)	-
Less: Gain on conversion of CCPS*	335.59	-
Closing balance	222.06	-

*During the current year, the Company has issued 128,843,758, 373,963,280 and 119,295,990 CCPS to its fellow subsidiaries of par value Rs. 100 amounting to Rs. 12,884.37 millions, Rs. 37,396.33 millions and Rs. 11,929.60 millions respectively. These CCPS were non-redeemable, fully convertible participating preference shares. CCPS carried a preferential dividend of 12% per annum, payable at the discretion of the Company's board of directors.

The CCPS were to be settled using the entity's own equity instruments, and the Company was obligated to deliver a variable number of these instruments to the CCPS holders and dividend was discretionary. This arrangement met the definition of a compound financial instrument having an equity component and a liability component. Further, the conversion feature was not a derivative because its value does not vary in response to changes in the issuer's share price. Instead, the issuer is using its shares as a 'currency' to settle the obligation since, if conversion is elected, the investor would have always received the number of shares equal to par value of CCPS.

Liability component of Rs. 6,765.65 millions was recorded as present value of cash outflows and the residual amount of Rs. 55,761.16 millions after deducting the liability component from the gross value of the instrument of Rs. 62,210.30 millions was recorded as equity component. The fair value of the instrument was determined by discounting the par value by considering conversion would happen only at maturity by applying a 12% discount rate.

These CCPS were converted into 100,501,294 Equity Shares bearing face value of Rs. 10 each and a premium of Rs. 609 per Equity Share. The resultant gain on conversion of such CCPS is accounted under other equity.

Nature and purpose of reserves:

i Equity component of compound financial instrument

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

ii Securities premium

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

iii Retained earnings

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

iv Retained earnings - fair value as deemed cost

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

iv Other equity

This represents the loss on early conversion of compulsory convertible debentures and conversion of compulsory convertible preference shares.



18 Borrowings

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Secured		
Term Loans:		
- From banks		
Rupee term loan (Refer note A and C)	12,044.01	11,652.58
Less: Current maturities of long-term borrowings (included in current borrowings)	(344.18)	(243.18)
	11,699.83	11,409.40
Working capital term loan (refer Note B)	1,376.96	1,915.48
Less: Current maturities of long-term borrowings (included in current borrowings)	(502.09)	(500.00)
	874.87	1,415.48
Unsecured		
Liability component of compound financial instruments - CCD	-	1,246.55
Unsecured compulsorily convertible debentures (Refer note D)	-	1,246.55
Total	12,574.70	14,071.43
Current		
Secured		
Working capital loan (Refer note E)	352.33	221.36
Unsecured		
Inter corporate deposit from related party (Refer Note F) and (Refer note 41)	-	1,710.10
Current maturities of long-term borrowings*	846.27	743.18
Total	1,198.60	2,674.64

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

*Accrued interest which is payable in one operating cycle is included in current borrowings.

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

A Term loan from Bank I

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

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

(a) Primary security:

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

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

(b) Other security:

- Pledge of 30% shares of the Company held by the Project Ballet Bangalore Holdings (DIFC) Private Limited, in favour of security trustee for the benefit of lenders for the entire term loan exposure.
- A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations.
- A guarantee of Schloss HMA Private Limited and Leela Palaces and Resorts Limited, fellow subsidiaries, enforceable towards meeting the shortfall in debt service obligations upto March 28, 2025.
- Mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

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

(d) Moratorium on interest:

The Company has availed the moratorium facility for interest on term loan for the period March, 2020 to August 2020 which has been further capitalised into term loan w.e.f. 01 October 2020 amounting Rs. 428.62 millions (March 31, 2024 Rs.428.62 millions).

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

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

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

Corporate Term Loan:

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

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

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

(c) Corporate guarantee:

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



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

- B** The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 3.0 (GECL 3.0) facility of Rs. 2,000 millions on December 24, 2021 to the Company to augment net working capital, requirements to meet operational liabilities. The door to door tenure of the loan is 6 years including moratorium of principal of two years. The loan is repayable in 48 quarterly structured installments beginning January 2024. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR"), plus 0.2%, subject to annual reset.

(a) Primary security:

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

(b) Other security:

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

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

C Term loan II

The lender had sanctioned a term loan facility under Lease Rental Discounting (LRD) facility under the Master Facility Agreement to the Company, amounting to Rs. 1,100.00 millions for the purpose of acquisition of the Galleria office in Bangalore. The door to door tenure of the loan is 15 years from the date of first disbursement. The loan's repayable tenure is 180 monthly structured installments beginning December 2021. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to monthly and annual reset, plus spread of 0.75%. The rate of interest as on March 31, 2025 is 9.75 % p.a. with monthly rests (March 31, 2024 9.40% p.a.) .

17 Borrowings

(a) Primary Security:

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

(b) Collateral Security:

(a) Exclusive first charge on the commercial building named "Galleria" from 1st floor to 7th floor, located at Sy. no. 94, 95, 96, HAL Stage - II, Old airport road, Kodihalli village, Varthur Hobli, now part of municipal no. 23/4, PID no. 74-49-23/4, situated at Kodihalli main road, 6th cross, Bangalore admeasuring 15203.98 sq. ft. along with underlying land admeasuring 24,404 sq. mtrs.

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

(c) Exclusive charge as Lien on 3 months DSRA

(d) Exclusive charge on Escrow account

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

D Unsecured compulsorily convertible debentures

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

Conversion terms:

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

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

(b) Restriction on payment of interest on CCDs:

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

- (c)** The Company is liable to pay the interest portion on the CCD and at the end of the term of the CCD it will be converted into equity shares in the ratio of 1:1. The interest and equity conversion as included in the CCD instrument requires it to be classified as compound financial instrument having an equity component for conversion and liability component for cash outflows towards interest payments. As at March 31, 2024 Liability component is recorded as present value of cashoutflows towards interest portion and the residual amount after deducting the liability component from the gross value of the instrument is recorded as equity component post deferred tax adjustment (refer note 17(a)).

- (d)** Modification in terms of Compulsorily Convertible Debentures (CCDs): As per the original terms, the CCD holder was entitled to interest @ 10.50%. The Company entered into addendum agreement dated September 28, 2023 with the CCD holder for alteration of the CCD terms. As per the addendum agreement the CCD holder is entitled to interest on principal amount at the rate of 10.50% p.a. till March 2029 and henceforth it will be 12.50% p.a. compounded on yearly basis until conversion. Company accounted the modification as substantial modification and recognised the gain of Rs. 96.38 millions in equity in previous year ended March 31, 2024.

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

E Working capital loan

The lender has granted a working capital facility as per Agreement dated August 11, 2020 to the Company and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. March 29, 2025) and Leela Palaces and Resorts Limited (w.e.f. March 29, 2025) for a total amounting to Rs. 1,000 millions to meet the working capital requirement and it is repayable on demand. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR") plus 0.20%, subject to monthly rest. The rate of interest as on March 31, 2025 is 9.10% p.a.

As at March 31, 2024 the Company and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited was having a working capital facility amounting to Rs.500 millions. The rate of Interest rate as on March 31, 2024 was 8.65%p.a.

F Inter corporate deposit

The Company's fellow subsidiaries and other related party i.e Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Chanakya Private Limited have granted deposits to the Company, for a total of Rs.NIL (March 31, 2024 Rs.1,710.10) millions to meet working capital requirements and it is repayable on demand. The rate of interest as on March 31, 2024 is 12.50% p.a.

The Company utilised the borrowings for the specific purpose for which it was obtained.



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

	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Borrowings	13,773.30	16,746.07
Lease liabilities	2,100.88	1,824.15
Cash and cash equivalents	(396.10)	(97.94)
Total	15,478.08	18,472.28

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

	Borrowings	Lease liabilities	Cash and cash equivalents	Net
Net debt as at April 1, 2023	15,913.95	1,749.61	409.34	17,254.22
Interest expense	1,528.65	177.95	-	1,706.60
Amortisation of transaction cost	-	-	-	-
New leases	-	-	-	-
Cash flows	863.74	-	(311.40)	1,175.14
Gain on account of modification in the terms of compound financial instruments	(96.38)	-	-	(96.38)
Interest paid	(1,463.89)	(103.41)	-	(1,567.30)
Fair value adjustment	-	-	-	-
Net debt as at March 31, 2024	16,746.07	1,824.15	97.94	18,472.28
Interest expense	1,707.63	201.78	-	1,909.41
Amortisation of transaction cost	3.04	-	-	3.04
Addition on account of new lease	-	191.26	-	191.26
Cash flows	60,043.41	-	298.16	59,745.25
Equity component of compulsorily convertible preference shares	-	-	-	-
Impact of early conversion of CCD	(1,456.46)	-	-	(1,456.46)
Impact of conversion of CCPS	(61,874.71)	-	-	(61,874.71)
Interest paid	(1,395.68)	(116.31)	-	(1,511.99)
Net debt as at March 31, 2025	13,773.30	2,100.88	396.10	15,478.08

19 Provisions

	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for employee benefits:		
- Compensated absences	7.42	6.80
- Gratuity	27.10	21.63
Total	34.52	28.43
Current		
Provision for employee benefits:		
- Compensated absences	1.30	0.76
- Gratuity	5.32	7.82
Total	6.62	8.58



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

20 Trade Payables (Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Trade payables - micro and small enterprises (refer note below)	9.59	12.45
Trade payables - others	141.43	77.46
Trade payables - to related parties (refer note 41)	85.00	179.77
Total	236.02	269.67

Ageing of trade payables

As at March 31, 2025

	Unbilled	Not due	Outstanding for following periods from due dates				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	-	9.59	-	-	-	9.59
Others	96.80	-	129.14	0.49	-	-	226.43
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	96.80	-	138.73	0.49	-	-	236.02

As at March 31, 2024

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

Outstanding Dues to Micro and Small Enterprises

(Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	9.59	12.45
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	67.79
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier periods	-	-

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

21 Other financial liabilities (Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	67.10	59.62
Total	67.10	59.62
Current		
Capital creditors	34.24	47.62
Employee dues payable	44.28	21.94
Other payable (Refer Note 41)	22.46	-
Total	100.98	69.56

22 Other liabilities (Rupees in millions)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Deferred income on fair valuation of security deposits	10.97	9.57
Total	10.97	9.57
Current		
Contract Liability		
Advance from customers	103.17	48.52
Deferred revenue	14.62	11.73
Deferred income on fair valuation of security deposits	6.52	4.92
Statutory dues payable		
-Provident fund payable	4.12	3.54
-Employee state insurance payable	0.25	0.21
-Professional tax payable	0.09	0.08
-Tax deducted at source and equalisation levy payable	15.33	34.71
Total	144.10	103.71

23 Deferred tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (net)	236.36	-
Total	236.36	-



24 Revenue from operations

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Sale of products:		
Food and beverages revenue	1,592.14	1,323.00
(b) Sale of services:		
Room income	1,947.72	1,687.85
Other allied services (laundry income, health club income, guest transfers, membership etc.)	211.25	213.57
Total	3,751.11	3,224.42

Reconciliation of revenue recognised with contract price

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contract price	3,751.11	3,224.42
Adjustments	-	-
Revenue from operations	3,751.11	3,224.42

Contract Balances

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

The Company has recorded revenue of Rs.60.25 millions and Rs.118.98 millions against opening balance of contract liabilities for the years ended March 31, 2025 and March 31, 2024 respectively.

Contract liabilities

	As at March 31, 2025	As at March 31, 2024
Advance from customers	103.17	48.52
Deferred revenue	14.62	11.73
Total contract liabilities	117.79	60.25

(i) Significant changes in contract liabilities

	As at March 31, 2025	As at March 31, 2024
Contract liabilities		
Opening balance	60.25	118.98
Addition during the year	117.79	60.25
Revenue recognised that was included in the contract liability balance at the beginning of the period	(60.25)	(118.98)
Closing balance	117.79	60.25

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

Timing of recognition

	For the year ended March 31, 2025	
	At a point in time	Over time
Membership revenue	-	1,947.72
Room revenue	1,592.14	-
Revenue from foods and beverages	190.49	-
Other allied services (laundry income, health club income, guest transfer)	-	20.76
Other allied services (membership fees)	-	-
	1,782.63	1,968.48

Timing of recognition

	For the year ended March 31, 2024	
	At a point in time	Over time
Membership revenue	-	1,687.85
Room revenue	1,323.00	-
Revenue from foods and beverages	178.19	-
Other allied services (laundry income, health club income, guest transfer)	-	35.38
Other allied services (membership fees)	-	-
	1,501.19	1,723.23

25 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:		
- Deposits with banks	423.84	43.75
- Inter-corporate deposits	223.62	-
- Security deposits	0.27	0.22
- Others	0.89	0.89
Interest on Income tax refund	1.99	1.77
Income from rentals	227.31	216.79
Miscellaneous income (includes delivery charges, balances written back, etc.)	14.62	24.33
Total	892.54	287.75

(b) Other gains/(losses)

Net foreign exchange differences	(0.59)	(0.38)
Net gain on disposal of property, plant and equipment	0.79	7.95
Net gain/(loss) on de-recognition of financial liability	-	(0.79)
Net fair value gains on financial asset mandatorily measured at fair value through profit or loss	97.85	-
	98.05	6.78

Total



26 Cost of food and beverages

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Food and beverages		
Opening inventories	71.62	47.86
Add : Purchases (net)	305.71	290.11
Less : Inventories at the end of the year	66.72	71.62
Cost of food and beverages consumed during the year	310.61	266.35

27 Employee benefits expense

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	543.33	457.45
Contribution to provident and other funds (Refer note 40)	24.96	22.64
Staff welfare expenses	19.72	22.32
Gratuity	4.75	5.86
Compensated absences	1.16	3.32
Total	593.92	511.58

28 Finance costs

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on:		
- Rupee term loan	1,206.06	1,198.80
- Working capital term loan	27.64	14.84
- Liability component of compound financial instruments	44.77	139.90
- Inter corporate deposit	93.58	160.59
- Compulsory convertible preference shares	335.59	-
- Lease liabilities	201.78	177.95
- Security deposit	5.77	7.24
Others	2.94	-
Total	1,918.13	1,699.33
(-) Amount capitalised in property, plant and equipment (see note below)	(20.18)	(8.86)
(-) Amount capitalised in Investment property (see note below)	(9.63)	-
Total	1,888.32	1,690.47

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the period, in this case 9.1% p.a.

29 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 equipment	203.66	181.03
Depreciation on right-of-use assets	58.64	54.74
Depreciation on investment property	5.20	5.22
Amortisation on intangible assets	8.65	9.05
Total	276.15	250.04

30 Other expenses

	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and operating supplies	55.57	70.90
Power and fuel	77.56	82.56
Rent charges	-	11.01
Repairs and maintenance		
- buildings	26.79	30.28
- plant and machinery	30.44	35.19
- others	41.92	38.10
Insurance	10.72	10.37
Communication	3.25	3.51
Travelling and conveyance	18.53	17.57
Guest transport	18.53	17.74
Printing and stationery	5.22	7.29
Sales and credit card commission	90.12	83.70
Business promotion	182.61	120.18
Management fees (refer note 41)	293.08	221.64
Legal and professional fees	57.44	19.05
Payment to auditors (refer note 31 below)	2.20	2.21
Rates and taxes	58.66	64.85
Net impairment losses/(reversal) on financial assets	(1.14)	(3.42)
Bank charges	2.53	24.69
Non executive director fees	2.90	-
Miscellaneous expenses	117.82	71.62
Total	1,094.75	929.02

31 Details of payments to auditors

	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
- Out of pocket expenses	0.10	0.11
Total	2.20	2.21

* Note: Eligible expenses incurred in connection with proposed initial public offer of equity shares of the Company amounting to Rs. 94.50 millions for the year ended March 31, 2025, recoverable from selling shareholders or adjustable against securities premium portion of the IPO proceeds are recorded within prepaid expenses.



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

32 Taxation

32(a) Taxation for the Year

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

(a) Income tax expense		(Rupees in millions)	
		For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax			
Current tax on loss for the Year		-	-
Total current tax expenses		-	-
Deferred tax for the period			
Decrease/(increase) in deferred tax assets		151.18	59.51
(Decrease)/increase in deferred tax liabilities		85.18	(59.51)
Total deferred tax expenses		236.36	-
Income tax expense		236.36	-
Income tax expense attributable to :			
Profit from operations		235.60	-
Other comprehensive income/(loss)		0.76	-
Total		236.36	-

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

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit from operations before income tax expense	577.95	(128.51)
Tax rate	25.168%	25.168%
Tax at applicable rate	145.46	(32.34)
Tax effect of amounts which are not deductible / taxable in calculating taxable income :		
Disallowance of interest on compulsorily convertible debenture	11.27	35.21
Disallowance of interest on compulsorily convertible preference share	84.46	-
Tax losses on which no deferred tax asset was recognised	-	(2.87)
Others	(5.59)	-
Total	235.60	-

32(b) Taxation as at the period end

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

The balance comprises temporary differences attributable to:

	As at March 31, 2025	As at March 31, 2024
A) Deferred tax assets		
Unabsorbed depreciation / business loss (refer note below)	502.02	738.32
Provisions for employee benefits	21.46	14.07
Security deposits paid	43.73	37.72
Loss allowance	0.76	1.05
Deferred revenue	5.32	2.95
Lease liability	528.75	459.10
	1,102.04	1,253.21
B) Deferred tax liability		
Property, plant and equipment, intangible assets and investment properties	707.25	663.78
Right of use of asset	605.35	565.90
Lease equalisation reserve	14.09	12.51
Non-current borrowings	9.28	10.26
Security deposits received	2.43	0.77
	1,338.40	1,253.21
Net deferred tax asset/(liability)	(236.36)	-

(b) Tax losses

	As at March 31, 2025	As at March 31, 2024
Unabsorbed depreciation for which no deferred tax asset has been recognised	-	699.12
Potential tax benefit @25.168%	-	175.96
Expiry date	-	April 1, 2024 to April 1, 2032



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

32 Taxation (Cont.)

Movement in Deferred tax for the period ended March 31, 2025

	Balance as on March 31, 2024	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge/(credit)	Accounted through other equity charge/(credit)	Balance as on March 31, 2025
Deferred tax assets	1,253.21	150.42	0.76	-	1,102.04
Unabsorbed depreciation / business loss	738.32	236.30	-	-	502.02
Provisions for employee benefits	14.07	(8.15)	0.76	-	21.46
Compulsarily convertible debentures liability component	-	-	-	-	-
Security deposits paid	37.72	(6.01)	-	-	43.73
Loss allowance	1.05	0.29	-	-	0.76
Deferred revenue	2.95	(2.37)	-	-	5.32
Lease liability	459.10	(69.65)	-	-	528.75
Deferred tax liability	1,253.21	85.18	-	-	1,338.40
Property, plant and equipment, intangible assets and investment properties	663.78	43.47	-	-	707.25
Right of use of asset	565.90	39.45	-	-	605.35
Lease equalisation reserve	12.51	1.58	-	-	14.09
Non-current borrowings	10.26	(0.98)	-	-	9.28
Security deposits received	0.77	1.66	-	-	2.43
Total	-	235.60	0.76	-	(236.36)

Movement in Deferred tax for the period ended 31 March 2024

	Balance as on March 31, 2023	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge/(credit)	Accounted through other equity charge/(credit)	Balance as on March 31, 2024
Deferred tax assets	1,193.70	59.51	-	-	1,253.21
Unabsorbed depreciation / business loss	700.64	37.68	-	-	738.32
Provisions for employee benefits	10.85	3.22	-	-	14.07
Compulsarily convertible debentures liability component	-	-	-	-	-
Security deposits paid	35.98	1.74	-	-	37.72
Loss allowance	2.16	(1.11)	-	-	1.05
Deferred revenue	3.72	(0.77)	-	-	2.95
Lease liability	440.34	18.76	-	-	459.10
Deferred tax liability	1,193.70	59.51	-	-	1,253.21
Property, plant and equipment, intangible assets and investment properties	595.94	67.84	-	-	663.78
Right of use of asset	577.88	(11.98)	-	-	565.90
Lease equalisation reserve	7.94	4.57	-	-	12.51
Non-current borrowings	11.23	(0.97)	-	-	10.26
Security deposits received	0.71	0.06	-	-	0.77
Total	-	-	-	-	-

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



33 Fair Value Measurement

As at March 31, 2025

Financial instruments by category

(Rupees in millions)

	Carrying amount			
	FVTPL	Amortised cost	FVOCI	Total
Financial assets				
At amortised cost				
Loans	-	2,075.72	-	2,075.72
Trade receivables	-	134.42	-	134.42
Cash and cash equivalents	-	396.10	-	396.10
Bank balances other than cash and cash equivalents	-	373.27	-	373.27
Other financial assets	-	10,707.86	-	10,707.86
At FVTPL				
Investments in equity instruments (Level 3)	1,255.23	-	-	1,255.23
Total financial assets	1,255.23	13,687.36	-	14,942.59
Financial liabilities				
At amortised cost				
Borrowings	-	13,773.30	-	13,773.30
Trade payables	-	236.02	-	236.02
Lease liabilities	-	2,100.88	-	2,100.88
Other financial liabilities	-	168.08	-	168.08
Total financial liabilities	-	16,278.28	-	16,278.28

As at March 31, 2024

Financial instruments by category

(Rupees in millions)

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

The above excludes investments in subsidiaries, joint ventures and associates amounting to Rs.45,988.82 millions

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

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

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

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

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

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

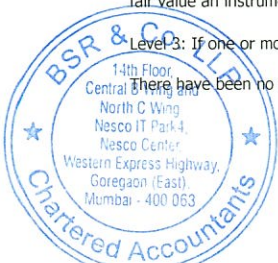
The fair-value-hierarchy under Ind AS 113 are described below:

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

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

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

There have been no transfers between different fair value hierarchy levels for the year ended March 31, 2025 and March 31, 2024.



34 Financial Risk Management

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

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

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

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

A. Credit Risk

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

The Company is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, bank deposits, trade receivables, security deposits and other receivables. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

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

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

Trade receivables

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

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forwardlooking information. The carrying amounts of trade receivables as disclosed in note number 13 represent the maximum credit risk exposure.

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

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the period	4.17	8.58
Impairment losses (recoined)/ reversed on receivables	(1.14)	(3.42)
Amounts written off during the period	-	(0.98)
Balance at the end of the period	3.03	4.17

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

B. Liquidity risk

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

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

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

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

* The undrawn borrowing facilities of Rs.770.27 millions is fungible amongst 6 SPVs namely Schloss Bangalore Limited, Schloss Chanakya Private Limited, Schloss Chennai Private Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited and Leela Palaces and Resorts Limited.

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities

As at March 31, 2025	Carrying amount	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	13,773.30	2,345.85	2,051.78	7,759.77	7,589.01	19,746.41
Lease liabilities	2,100.88	125.09	131.34	434.76	15,072.48	15,763.67
Trade payables	236.02	236.02	-	-	-	236.02
Other financial liabilities	168.08	100.98	-	77.18	10.56	188.72
Total financial liabilities	16,278.28	2,807.94	2,183.12	8,271.71	22,672.05	35,934.82

As at March 31, 2024	Carrying amount	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	16,746.07	3,809.83	1,913.23	7,663.26	14,133.46	27,519.77
Lease liabilities	1,824.15	107.85	113.24	374.85	13,782.18	14,378.12
Trade payables	269.68	269.68	-	-	-	269.68
Other financial liabilities	129.18	69.56	14.25	62.93	-	146.74
Total financial liabilities	18,969.08	4,256.92	2,040.72	8,101.04	27,915.63	42,314.31



C. Market risk
(a) Foreign currency risk

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

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

As at March 31, 2025			
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (Rs. in millions)
Liabilities			
Trade payables	USD	-	-
Capital creditors	USD	-	-
Total exposure			-
Less: exposure hedged			-
Unhedged exposure			-

As at March 31, 2024			
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (Rs. in millions)
Liabilities			
Trade payables	EUR	373.52	0.03
Trade payables	USD	54,861.93	4.57
Total exposure			4.61
Less: exposure hedged			(4.61)
Unhedged exposure			-

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

The following table presents the outstanding position and fair value of various foreign currency derivative financial instruments:
The fair value of forward contracts is insignificant and thereby not accounted.

As at March 31, 2025				
Currency pair	Foreign Currency Denomination		Notional value (Rs. in millions)	Fair value (Rs. in millions)
	Average exchange rate			
Non-designated				
Buy	USD/Rs.	86.13	20.38	-
Buy	EUR/Rs.			-
Buy	GBP/Rs.			-
Buy	EUR/Rs.	-	-	-
Total				-

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

ii. Foreign exchange sensitivity

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

Impact on Profit or Loss		
	For the year ended March 31, 2025	For the year ended March 31, 2024
EUR sensitivity		
Rs./ EUR - Increase by 1%	-	(0.00)
Rs./ EUR - Decrease by 1%	-	0.00
USD sensitivity		
Rs./ USD - Increase by 1%	-	(0.05)
Rs./ USD - Decrease by 1%	-	0.05

b) Interest rate risk

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

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

As at March 31, 2025			
	Weighted average interest rate	Balance	% of total loans
Term loans	MCLR + spread of 0.1% to 0.75%	13,773.30	100%

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

An analysis by maturities is provided in note 34(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Cash flow sensitivity analysis for variable rate instruments

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

	As at March 31, 2025 Impact on profit after tax	As at March 31, 2024 Impact on profit after tax
Interest sensitivity		
Interest rates - increase by 100 basis points	(137.73)	(155.00)
Interest rates - decrease by 100 basis points	137.73	155.00



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

35 Capital Management

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

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

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

The gearing ratios were as follows:

	As at March 31, 2025	As at March 31, 2024
Borrowings	13,773.30	16,746.07
Lease liabilities	2,100.88	1,824.15
Less: Cash and cash equivalents	(396.10)	(97.94)
Less: Other balance with bank (short term deposits)	(373.27)	(616.28)
Net debt	15,104.81	17,856.00
Total equity	63,427.75	(248.87)
Net debt to equity ratio	0.24	(71.75)

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

36 Segment information

The primary reporting of the Company has been performed on the basis of business segment. Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker ('CODM') i.e. Board of Directors of the Company, being the CODM has evaluated of The Company's performance at an overall level as one segment which is 'Revenue based in India Location' that includes: (i) Revenue from room services, (ii) Revenue from food and beverages and (iii) Other allied services in a single business segment based on the nature of the services, the risks and returns, the organization structure and the internal financial reporting systems. Accordingly, the figures appearing in these financial statements relate to the Company's single business segment.

No single customer contributes 10% or more of the Company's total revenue for the period ended March 31, 2025 and March 31, 2024.

All non-current assets are held by the Company in India, the domicile country. Hence, statement for geographical information is not applicable.



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

37 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)	211.84	79.52
Total	211.84	79.52

Note:

The breakup of disputed statutory liabilities is as under:

	As at March 31, 2025	As at March 31, 2024
Disputed statutory liabilities		
Income Tax [^]	*	-
Service tax**	104.06	79.52
VAT#	49.69	-
GST***	58.09	-
	211.84	79.52

* less than rounding off norms

[^]Income tax department (CPC) has issued intimation under section 168(1) of the Finance Act with respect to outstanding demand for Equalisation levy amounting Rs.195, response has been filed that Company has paid the entire liability. No further correspondence received from authorities.

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

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

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

Company has received the notice (issued by Deputy Commissioner of Commercial Tax) on 9th March 2010 for the period FY 2005-06 to FY 2009-10 demanding the VAT @12.5% on service charges including service tax component charged on foods and service supplied at the banquet halls alleging that the service charges, service tax and cess collected relating to sale of food and beverages are presale expenses which add to the value of goods sold. Company had filed detailed response in this regard.

AO passed the order confirming the demand for FY 05-06, 06-07, 07-08, 08-09 and 09-10 (Upto Nov-19). Commissioner of Commercial Tax (Appeal) upheld the order passed by AO.

The Company filed an appeal before Karnataka Appellate Tribunal. Karnataka Appellate Tribunal set aside the order passed by AO in 2010.

The Department filed revision petition before Hon'ble High court of Karnataka. Hon'ble High Court allowed the revision petition in 2012 and instructed the Appellate Tribunal to undertake fresh scrutiny/ assessment of the said matter. Against High court order, SBPL has filed the Special Leave Petition ('SLP') before Hon'ble Supreme Court. Supreme Court dismissed the SLP on 5th April 2013 and directed the Company to approach High Court.

Till date the Company has not received any letter for fresh scrutiny in this regard.

***For period FY 2019-20, officer has passed the order in Form DRC-07 where demand on account of ITC availment on immovable property [Building] which is not capitalised has been confirmed amounting to Rs. 5.92 millions (including interest and penalty).

Hearing in this matter was scheduled on 20 March 2025 which was duly attended. Vide the hearing, Appellate authorities have sought additional documents which shall be submitted at the time of another hearing, which will be scheduled subsequently.

For FY 2020-21, FY 2021-22 and FY 2022-23, Authorities have vide the summon issued sought certain details/information in relation to discrepancies in ITC mismatch, tax liability mismatch, ITC availed on blocked credit under Section 17(5) and non payment of tax under reverse charge mechanism. In this regard, the Company had filed detailed response against each of the observations.

Pursuant to issuance of SCN, authorities have passed the Order dated January 13, 2025 where entire demand of tax, interest and penalty has been confirmed. In this regard, the Company has filed appeal before appellate authority dated April 01, 2025. Hearing is awaited in this matter.

38 Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounts to Rs. 679.85 millions (March 31, 2024 Rs.88.64 millions).



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

39 Earnings per share

The number of equity shares used in computing Basic Earnings Per Share is the weighted average number of equity shares outstanding during the period.

	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share		
Profit/(Loss) for the period (A)	342.35	(128.51)
Weighted average number of equity shares for the purposes of basic earnings per share (B)	24,21,44,537	3,51,97,064
Basic Earnings per equity share C=(A/B) in Rs.	1.41	(3.65)
Diluted earnings per share		
Profit attributable to the equity holders of the company (A)		
Used in calculating basic earnings per share	342.35	(128.51)
Add: Finance cost saved on compound financial instruments	-	139.90
Profit attributable to the equity holders of the company used in calculating diluted earnings per share:	342.35	11.39
Weighted average number of shares used as the denominator (B)		
Opening balance	2,01,69,566	2,01,69,566
Shares Issued during the year	11,55,28,792	-
Effective shares issued during the year		
Equivalent number of shares of CCDs	25,04,583	1,50,27,498
Shares issued during the year on conversion of CCDs	1,25,22,915	-
Equivalent number of shares on conversion of CCPS****	6,61,59,217	-
Number of equity shares under bonus issue (4 bonus shares for each equity share)***	14,07,88,256	-
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	24,21,44,537	3,51,97,064
Adjustments for calculation of diluted earnings per share		
Weighted average number of equity shares used and potential equity shares used as the denominator in calculating diluted earnings per share*	24,21,44,537	3,51,97,064
Diluted** Earnings per equity share C=(A/B) in Rs.	1.41	(3.65)

*Weighted average number of compulsorily convertible debentures (CCDs) included in the denominator in calculating basic earnings as per para 23 of Ind-AS 33 for the previous year.

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

*** The earnings per share reflects the impact of bonus shares issuance in the ratio of 4:1.

**** Computed based on the number of Equity Shares allotted on conversion of CCPS.



40 Employee Benefit Obligation

a) Compensated absences

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

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

The expense of compensated absences (non-funded) for the year ended March 31, 2025 amounting to Rs. 1.16 millions (March 31, 2024: Rs. 3.32 millions) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using projected unit credit method.

b) Post employment obligations

Provident fund and Employees State Insurance Commission - Defined contribution plan

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

The contributions are charged to the statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund and employees state insurance for the period aggregated to Rs. 24.96 millions (March 31, 2024: Rs. 22.64 millions).

Gratuity - Defined benefit plan

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

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

Amounts recognised in the statement of profit and loss:	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Defined contribution plans		
- Employer's contribution to provident and other funds	24.96	22.64
Total	24.96	22.64
Defined benefit plans		
- Gratuity	4.75	5.86
Total	4.75	5.86

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	3.01	(5.62)
Total	3.01	(5.62)

Gratuity plan	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	38.45	37.48
Fair value of plan assets	6.03	8.04
Net unfunded obligation	(32.42)	(29.45)
Present value of funded defined benefit obligations	-	-
Impact of minimum funding requirement/asset	-	-
Net defined benefit liability recognised in the Balance Sheet	(32.42)	(29.45)
Net defined benefit liability is bifurcated as follows:		
Current	5.32	7.82
Non-current	27.10	21.63

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the period are as follows:			
	Present value of obligations	Fair value of plan assets	Net amount
As at April 1, 2023	31.04	8.05	22.99
Current service cost	4.49	-	4.49
Interest expense/ (income)	2.29	-	2.29
Total amount recognised in the statement of profit and loss	6.78	-	6.78
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.30	(0.30)
- (Gain)/ loss from change in demographic assumptions	(2.18)	-	(2.18)
- (Gain)/ loss from change in financial assumptions	5.09	-	5.09
- Experience (gains)/ losses	2.41	-	2.41
Total amount recognised in other comprehensive income	5.32	0.30	5.02
Employer contributions	-	5.35	(5.35)
Benefit payments	(5.66)	(5.66)	-
As at March 31, 2024	37.48	8.04	29.45
Current service cost	4.93	-	4.93
Past service cost including curtailment gains/losses	(2.31)	-	(2.31)
Interest expense/ (income)	2.72	-	2.72
Total amount recognised in the statement of profit and loss	5.34	-	5.34
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.57)	(0.57)
- (Gain)/ loss from change in demographic assumptions	0.16	-	0.16
- (Gain)/ loss from change in financial assumptions	0.46	-	0.46
- Experience (gains)/ losses	(3.63)	-	(3.63)
Total amount recognised in other comprehensive income	(3.02)	(0.57)	(3.59)
Transfer	1.22	-	1.22
Employer contributions	-	-	-
Benefit payments	(2.58)	(2.58)	-
As at March 31, 2025	38.45	6.03	32.42



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)
Significant actuarial assumptions were as follows:

	As at March 31, 2025	As at March 31, 2024
Discount rate (p.a.)	7.04%	7.00%
Salary growth rate (p.a.)	8.00%	8.00%
Retirement Age (Years)	58.00	58.00
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	IALM(2012-14)
Attrition at Ages		
- Up to 30 Years	30%	30%
- From 31 to 44 years	25%	25%
- Above 44 years	2%	2%

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

Sensitivity analysis

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

	As at March 31, 2025	As at March 31, 2024
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	38.45	37.48
Impact due to increase of 0.50%	(1.10)	(1.08)
Impact due to decrease of 0.50%	1.16	1.14
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	38.45	37.48
Impact due to increase of 0.50%	0.93	1.13
Impact due to decrease of 0.50%	(0.90)	(1.08)

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

The major categories of plans assets

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

Maturity analysis

The weighted average duration to the payment of these cash flows is 3.84 years

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

(Rupees in millions)					
Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2025					
- Gratuity	6.31	2.70	9.98	19.46	38.45
Total	6.31	2.70	9.98	19.46	38.45
As at March 31, 2024					
- Gratuity	7.82	2.60	8.37	18.70	37.48
Total	7.82	2.60	8.37	18.70	37.48

Risk exposure:

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

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

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

Withdrawal risk: The risk that the usual timeframe for withdrawal requests is not met, or the withdrawals from the fund due to severe adverse market conditions are suspended.

Mortality risk: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.



41 Related party transactions

A Name of related parties

i List of related parties where control exists and relationships

(i) Holding company

Project Ballet Bangalore Holdings (DIFC) Private Limited

(ii) Fellow subsidiaries

Schloss HMA Private Limited (upto May 30 2024)
Schloss Chennai Private Limited (upto May 30 2024)
Schloss Udaipur Private Limited (upto May 30 2024)
Schloss Chanakya Private Limited (upto May 30 2024)
Schloss Gandhinagar Private Limited (upto May 30 2024)
Leela Palaces and Resorts Limited (upto May 30 2024)
Tulsi Palace Resort Private Limited (upto May 30 2024)
Schloss Tadoba Private Limited (upto May 30 2024)
Moonburg Power Private Limited (upto May 30 2024)
Elevar Digital Infrastructure Private Limited
Summit Digital Infrastructure Limited
Brookprop Property Management Services Private Limited
Arliga India Office Parks Private Limited
Arliga Ecoworld Infrastructure Private Limited
Cowrks India Private Limited

(iii) Subsidiaries

Schloss HMA Private Limited (with effect from May 31 2024)
Schloss Chennai Private Limited (with effect from May 31 2024)
Schloss Udaipur Private Limited (with effect from May 31 2024)
Schloss Chanakya Private Limited (with effect from May 31 2024)
Schloss Gandhinagar Private Limited (with effect from May 31 2024)
Leela Palaces and Resorts Limited (with effect from May 31 2024)
Tulsi Palace Resort Private Limited (with effect from May 31 2024)
Schloss Tadoba Private Limited (with effect from May 31 2024)
Moonburg Power Private Limited (with effect from May 31 2024)
Inside India resorts Private Limited
Anasvish Tiger Camp Private Limited
Buildminds Real Estate Private Limited

ii Associate

Lago Vue Srinagar Private Limited

iii Key Managerial Personnel

Mr. Anuraag Bhatnagar, Executive Director
Mr. Ravi Shankar, Chief Financial Officer
Mr. Madhav Sehgal, Director and Area Vice President South (upto September 13, 2024)
Ms. Ananya Tripathi, Director (wef May 29, 2024)
Mr. Ankur Gupta, Director (wef September 13, 2024)
Mr. Ashank Kothari, Director (wef September 13, 2024)
Mr. Shai Zelering, Director (wef September 13, 2024)
Mr. Deepak Parekh, Director (wef September 13, 2024)
Mr. Mukesh Butani, Director (wef September 13, 2024)
Ms. Apurva Purohit, Director (wef September 13, 2024)

C Transactions with related parties

The following transactions occurred with related parties

(Rupees in millions)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Management fees expense		
Schloss HMA Private Limited	293.09	221.64
Reimbursement of expenses paid to / (received from)		
Schloss Chennai Private Limited	(2.90)	(1.35)
Schloss Chanakya Private Limited	19.56	0.39
Schloss HMA Private Limited	79.85	40.45
Schloss Udaipur Private Limited	2.87	(0.16)
Tulsi Palace Resort Private Limited	0.90	(3.22)
Arliga India Office Parks Private Limited	-	(3.44)
Arliga Ecoworld Infrastructure Private Limited	-	0.12
Cowrks India Private Limited	-	0.14
Lago Vue Srinagar Private Limited	(4.63)	-
Project Ballet Bangalore DIFC Limited	(106.35)	-
Other Income		
Summit Digital Infrastructure Limited	0.63	0.61
Elevar Digital Infrastructure Private Limited	0.09	-
Revenue from Operations		
Arliga Ecoworld Infrastructure Private Limited	1.09	-
BAM DLR Data Centre Services Pvt. Ltd.	0.01	-
Arliga India Office Parks Private Limited	0.15	-
Cowrks India Private Limited	0.01	-



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

Payment made towards consultancy services		
Brookprop Property Management Services Private Limited	12.83	9.68
Interest (income)/expense on capex limit utilisation		
Schloss Udaipur Private Limited	(0.17)	(0.15)
Schloss Chanakya Private Limited	29.77	-
Inter corporate deposit taken		
Tulsi Palace Resort Private Limited	150.00	
Schloss Udaipur Private Limited	-	40.00
Schloss Chennai Private Limited	254.40	-
Schloss Chanakya Private Limited	55.00	605.00
Inter corporate deposit given		
Schloss HMA Private Limited	1,605.83	-
Schloss Chanakya Private Limited	1,245.72	-
Leela Palaces Resort limited	103.15	-
Inside India Resort Private Limited	7.99	-
Anasvish Tiger Camp Private Limited	2.29	-
Inter corporate deposit settlement		
Schloss HMA Private Limited	-	-
Schloss Udaipur Private Limited	680.94	59.06
Schloss Chennai Private Limited	609.43	44.97
Schloss Chanakya Private Limited	660.00	-
Tulsi Palace Resort Private Limited	150.00	-
Inter corporate deposit given repaid		
Schloss HMA Private Limited	947.71	-
Interest on inter corporate deposit		
Schloss Udaipur Private Limited	40.83	85.96
Schloss Chennai Private Limited	33.07	47.60
Schloss Chanakya Private Limited	17.99	27.19
Tulsi Palace Resort Private Limited	1.70	-
Interest Income on inter corporate deposit		
Schloss HMA Private Limited	111.54	-
Schloss Chanakya Private Limited	105.90	-
Leela Palaces Resort limited	5.66	-
Inside India Resorts Private Limited	0.31	-
Anansvish Tiger Camp Private Limited	0.10	-
Purchase of Investment		
BSREP III India Ballet Holdings (DIFC) Limited	1,742.81	-
BSREP III India Ballet I Pte. Ltd.	11,450.92	-
BSREP III India Ballet Pte. Ltd.	-	-
BSREP III Tadoba Holdings (DIFC) Private Limited	0.01	-
BSREP III Joy Two Holdings (DIFC) Limited	6,983.18	-
Project Ballet Bangalore Holdings (DIFC) Pvt Ltd	-	-
Project Ballet Chanakya Holdings (DIFC) Pvt Ltd	-	-
Project Ballet Chennai Holdings (DIFC) Private Limited	10,110.86	-
Project Ballet Gandhinagar Holdings (DIFC) Private Limited	18.52	-
Project Ballet HMA Holdings (DIFC) Private Limited	12,153.33	-
Project Ballet Udaipur Holdings (DIFC) Private Limited	4139.86	-
Interest on unsecured compulsorily convertible debentures		
Project Ballet Bangalore Holdings (DIFC) Private Limited, holding company	44.77	139.90
Gain on account of modification in the terms/extinguishment/conversion of compound financial instruments		
Project Ballet Bangalore Holdings (DIFC) Pvt Limited	(113.53)	-
BSREP III Joy Two Holdings (DIFC) Limited	40.46	-
Project Ballet Gandhinagar Holdings (DIFC) Pvt Limited	10.21	-
Project Ballet Udaipur Holdings (DIFC) Pvt Limited	23.99	-
BSREP III Tadoba Holdings (DIFC) Pvt Limited	132.70	-
Project Ballet Chennai Holdings (DIFC) Pvt Limited	58.24	-
Project Ballet HMA Holdings (DIFC) Pvt Limited	70.00	-
Extinguishment of financial liability recorded under equity		
Project Ballet Bangalore Holdings (DIFC) Pvt Limited	603.09	-
Extinguishment of financial liability recorded under borrowings		
Project Ballet Bangalore Holdings (DIFC) Pvt Limited	899.66	-
Issue of Compulsorily Convertible Preference Shares ('CCPS')		
BSREP III Joy Two Holdings (DIFC) Limited	6,983.18	-
Project Ballet Gandhinagar Holdings (DIFC) Pvt Limited	1,761.33	-
Project Ballet Udaipur Holdings (DIFC) Pvt Limited	4,139.86	-
BSREP III Tadoba Holdings (DIFC) Pvt Limited	27,061.74	-
Project Ballet Chennai Holdings (DIFC) Pvt Limited	10,110.86	-
Project Ballet HMA Holdings (DIFC) Pvt Limited	12,153.33	-
Issue of Equity Shares on conversion of CCPS (including securities premium)		
BSREP III Joy Two Holdings (DIFC) Limited	6,983.18	-
Project Ballet Gandhinagar Holdings (DIFC) Pvt Limited	1,761.33	-
Project Ballet Udaipur Holdings (DIFC) Pvt Limited	4,139.86	-
BSREP III Tadoba Holdings (DIFC) Pvt Limited	27,061.74	-
Project Ballet Chennai Holdings (DIFC) Pvt Limited	10,110.86	-
Project Ballet HMA Holdings (DIFC) Pvt Limited	12,153.33	-



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

Issue of Bonus Equity Shares

Project Ballet Bangalore Holdings (DIFC) Pvt Limited	1,407.88	-
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Investment in compulsorily convertible preference shares

Schloss Chanakya Private Limited	11,123.05	-
Buildminds Real Estate Private Limited	29.97	-

Fair Value gain on compulsorily convertible preference shares

Schloss Chanakya Private Limited	97.81	-
Buildminds Real Estate Private Limited	0.04	-

Interest expense on unsecured compulsorily convertible preference shares

BSREP III Joy Two Holdings (DIFC) Limited	40.46	-
Project Ballet Gandhinagar Holdings (DIFC) Private Limited	10.21	-
Project Ballet Udaipur Holdings (DIFC) Private Limited	23.99	-
BSREP III Tadoba Holdings (DIFC) Private Limited	132.70	-
Project Ballet Chennai Holdings (DIFC) Private Limited	58.24	-
Project Ballet HMA Holdings (DIFC) Private Limited	70.00	-

Non-executive director fees

Mr. Deepak Parekh	0.90	-
Mr. Mukesh Butani	1.00	-
Ms. Apurva Purohit	1.00	-

Managerial remuneration*

Short Term Employee Benefits

Mr. Anuraag Bhatnagar	18.50	-
Mr. Ravi Shankar	6.73	-
Mr. Madhav Sehgal	6.35	15.14

* 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.

D Outstanding balance

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

	As at March 31, 2025	As at March 31, 2024
Trade payables (including accrued expenses)		
Schloss HMA Private Limited	48.10	172.48
Schloss Udaipur Private Limited	3.42	-
Schloss Chennai Private Limited	3.26	0.34
Schloss Chanakya Private Limited	28.04	0.80
Tulsi Palace and Resorts Private Limited	2.18	-
Brookprop Property Management Services Private Limited	-	6.57
Cowrks India Private Limited*	-	0.00
Other payables		
Schloss Chanakya Private Limited	22.46	-
Other receivable		
Buildminds Real Estate Private Limited	15.12	-
Inside India resorts Private Limited	0.88	-
Lago Vue Srinagar Private Limited	4.63	-
Project Ballet Bangalore DIFC Limited	106.35	-
Trade receivable		
Schloss Udaipur Private Limited	-	0.17
Summit Digitel Infrastructure Limited	0.03	0.03
Cowrks India Private Limited	0.01	-
Elevar Digitel Infrastructure Private Limited	0.04	-
Capital creditors		
Brookprop Property Management Services Private Limited	1.35	-
Inter corporate deposit taken		
Schloss Udaipur Private Limited	-	680.94
Schloss Chennai Private Limited	-	355.03
Schloss Chanakya Private Limited	-	605.00
Interest on intercorporate deposit taken		
Schloss Udaipur Private Limited	-	26.61
Schloss Chennai Private Limited	-	18.06
Schloss Chanakya Private Limited	-	24.47
Inter corporate deposit given		
Schloss HMA Private Limited	658.11	-
Schloss Chanakya Private Limited	1,245.72	-
Leela Palaces Resort limited	103.15	-
Inside India Resort Private Limited	7.99	-
Anasvish Tiger Camp Private Limited	2.29	-
Interest on intercorporate deposit given		
Schloss HMA Private Limited	0.20	-
Schloss Chanakya Private Limited	52.82	-
Leela Palaces Resort limited	5.10	-
Inside India Resort Private Limited	0.28	-
Anasvish Tiger Camp Private Limited	0.09	-



Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2025 (Cont...)

Investment in compulsorily convertible preference shares

Schloss Chanakya Private Limited	11,220.86	-
Buildminds Real Estate Private Limited	30.01	-

Equity component of Compound financial Instruments

Project Ballet Bangalore Holdings (DIFC) Pvt. Limited	-	603.09
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Financial liability component of Compound financial Instruments

Project Ballet Bangalore Holdings (DIFC) Pvt. Limited	-	1,246.55
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Corporate guarantee

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

E Names of Related parties where control exists

Project Ballet Bangalore Holdings (DIFC) Private Limited (Holding Company), BSREP III India Ballet Holdings (DIFC) Limited (Intermediate Holding Company) and Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.) (Ultimate controlling party).

F Terms and conditions

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



42 Ratio Analysis and its elements

Ratio Analysis	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	4.54	0.41	1005%	Increase in Current ratio is on account of Loans given to related party during the year
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	0.22	(67.29)	-100%	Change in Debt-equity ratio is primarily due conversion of CCDs to equity and infusion of additional equity during the year
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	1.02	0.91	11%	
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	0.01	0.56	-98%	Decrease in ROE is primarily due to increase equity during the year on account of conversion of CCDs to equity and infusion of additional equity during the year
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	3.63	2.89	26%	Increase is primarily on account of increase in sales resulting in higher COGS for the year
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	33.30	29.69	12%	
Trade Payables Turnover Ratio	Net Purchases	Average Trade Payables	1.21	1.33	-9%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	4.78	(2.79)	-271%	Change in ratio is due to positive working capital in CY compared to negative working capital in PY and higher revenue in CY.
Net Profit Ratio	Net Profit after tax	Net Sales	0.09	(0.04)	129%	Increase in on account of increase in profit's during the year
Return on Capital employed	EBIT	Capital Employed	0.03	0.05	-34%	Decrease in ROCE is due to increase in capital employed on account of equity infusion during the year.
Return on Investment	Interest (Finance Income)	Investment	0.08	-		

43 Other Statutory Information

- (i) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off u/s 243 of the companies act, 2013 or u/s 560 of companies act, 2013.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (ROC) beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.
- (v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has investment property as disclosed in fair value and accordingly its fair valuation is at period end is disclosed in note 6.
- (ix) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the period.
- (x) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment.
- (xi) The Company has not defaulted on loan from any bank or financial Institution or other lender.
- (xii) Compliance with approved Scheme(s) on the basis of security of current assets - not applicable.
- (xiii) The Company is not declared willful defaulter by any bank or financial institution as defined under companies act, 2013 or consortium thereof or other lender in accordance with the guidelines on the wilful defaulters issued by the RBI.
- (xiv) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.
- (xv) The Company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.
- (xvi) Compliance with approved scheme of arrangements.

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

Tarun Kinger
Partner
Membership Number : 105003

Place: Mumbai
Date : May 6, 2025

For and on behalf of the board of directors of
Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited")
CIN: U55209DL2019PLC347492

Anurag Bhatnagar
Executive Director
DIN: 07967035

Place: Mumbai
Date : May 6, 2025

Ashank Kothari
Director
DIN: 08565174

Place: Mumbai
Date : May 6, 2025

Ravi Shankar
Chief Financial Officer

Place: Mumbai
Date : May 6, 2025

Jyoti Maheshwari
Company Secretary
Membership Number: ACS24469

Place: Mumbai
Date : May 6, 2025

