

Independent Auditor's Report

To the Members of Leela Palaces and Resorts Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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)

Leela Palaces and Resorts Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Continued)

Leela Palaces and Resorts Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 3 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. 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 does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 30 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 30 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

Independent Auditor's Report (Continued)

Leela Palaces and Resorts Limited

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

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. 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



Jaymin Sheth

Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 114583

ICAI UDIN:25114583BMKYGP9204

Annexure A to the Independent Auditor's Report on the Financial Statements of Leela Palaces and Resorts 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 does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (b) The Company has only one asset which is land. It has been physically verified during the year. No 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 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	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
Freehold Land, Agra	Rs. 5,649.52 lakhs	M/s ISKON Estates Private Limited	No	2011	The land is in the name of the Company as per title deed, however the registration with Tehsil record is in process.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Leela Palaces and Resorts Limited for the year ended 31 March 2025
(Continued)**


- (ii) (a) The Company does not have any physical inventories. Accordingly, provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (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 sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to 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 not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
 - (a) The Company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity given any loan or provided advance in nature of loan or given any guarantee during the year. Accordingly, provisions of Clause 3(iii)(a) are not applicable to the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year are not prejudicial to the interest of the Company. Furthermore, the Company has not provided any guarantees or given any security during the year.
 - (c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the Company has not given any loan. Accordingly Clause 3(iii)(c) are not applicable to the Company.
 - (d) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the Company has not given any loan. Accordingly provisions of Clause 3(iii)(d) are not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
 - (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.
- (iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been

Annexure A to the Independent Auditor's Report on the Financial Statements of Leela Palaces and Resorts Limited for the year ended 31 March 2025 (Continued)

subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax and Income-Tax, have been regularly deposited by the Company with the appropriate authorities. The following statutory dues are not applicable i.e. Provident Fund, Employees State Insurance, Duty of Customs or Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax and income tax were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (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, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not used funds raised on short-term basis for long-term purposes except for an amount of Rs 1,432 lakhs, which was invested in shares of a Joint Venture company, and Rs 234.52 lakhs, pertaining to capital work in progress..
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures as defined under the Act. Further Company does not hold any investment in any subsidiaries and associates (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 joint ventures (as defined under the Act). Further Company does not hold any investment in any subsidiaries and associates (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 allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable. 

Annexure A to the Independent Auditor's Report on the Financial Statements of Leela Palaces and Resorts Limited for the year ended 31 March 2025 (Continued)

- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 176.42 lakhs in the current financial year and Rs 49.90 lakhs 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) We draw attention to Note 2.2 to the financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2025. Further, the Company's current liabilities exceed its current assets as at 31 March 2025 by Rs. 2,255.34 Lakhs. The Company has received letter of support from holding company to provide such financial and operational support to the Company as is necessary to ensure that the Company is able to meet its debt and liabilities for next one year from the date of the financial closure of the accounts of the Company as and when they fall due for payment in the normal course of business and continue as a going concern for the foreseeable future. In view of the above, the Company believes that it will be able to meet all its contractual obligations and

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Leela Palaces and Resorts Limited for the year ended 31 March 2025
(Continued)**

liabilities as and when they fall due in near future and accordingly, these financial statements have been prepared on a going concern basis. On the basis of the above and according to the information and explanations given to us, 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



Jaymin Sheth

Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 114583

ICAI UDIN:25114583BMKYGP9204

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Leela Palaces and Resorts Limited for the year ended 31 March 2025
(Continued)**

Annexure

Not to be used

Annexure B to the Independent Auditor's Report on the financial statements of Leela Palaces and Resorts Limited for the year ended 31 March 2025

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

(Referred to in paragraph 2(A)(f) 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 Leela Palaces and Resorts Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Leela Palaces and Resorts Limited for the year ended 31 March 2025 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Jaymin Sheth

Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 114583

ICAI UDIN:25114583BMKYGP9204

LEELA PALACES AND RESORTS LIMITED
Balance Sheet as at 31 March, 2025

(Rupees in lakhs)

Particulars	Note	As at 31 March, 2025	As at 31 March, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,649.52	5,649.52
Capital work-in-progress	5	385.14	150.62
Financial assets			
Investments	6	1,432.00	-
Other financial assets	7	14.61	13.77
Other non-current assets	8	81.78	50.47
Total non-current assets		7,563.05	5,864.38
Current assets			
Financial assets			
Cash and cash equivalents	9	48.98	6.21
Other financial assets	10	108.93	-
Current tax assets (net)	11	1.71	0.48
Total current assets		159.62	6.69
Total assets		7,722.67	5,871.07
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	272.81	272.81
Other equity	13	5,034.90	5,211.32
Total equity		5,307.71	5,484.13
LIABILITIES			
Current liabilities			
Financial liabilities			
Borrowings	14	1,606.14	-
Trade payables			
(a) Total outstanding dues of micro and small enterprises	15	-	-
(b) Total outstanding dues other than (a) above	15	255.65	160.54
Other financial liabilities	16	548.35	221.59
Other current liabilities	17	4.82	4.81
Total current liabilities		2,414.96	386.94
Total liabilities		2,414.96	386.94
Total equity and liabilities		7,722.67	5,871.07
Summary of material accounting policies	3		
The notes referred to above form an integral part of the financial statements	1 - 32		

As per our report of even date attached

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



Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

For and on behalf of the Board of Directors of
Leela Palaces and Resorts Limited
CIN: U70101DL2005PLC134480


Anuraag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025


Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025



LEELA PALACES AND RESORTS LIMITED
Statement of Profit and Loss for the year ended 31 March, 2025

		(Rupees in lakhs)	
Particulars	Note	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Income			
Other income	18	17.73	4.81
Total income		17.73	4.81
Expenses			
Finance Costs	19	138.24	13.32
Other expenses	20	55.91	41.39
Total expenses		194.15	54.71
(Loss) before tax		(176.42)	(49.90)
Income tax expense:	21		
Current tax		-	-
Deferred tax		-	-
(Loss) for the Year		(176.42)	(49.90)
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement of defined benefit plans		-	-
Income tax relating to these items		-	-
Total other comprehensive income for the year, net of income tax		-	-
Total comprehensive (loss) for the year		(176.42)	(49.90)
Earnings per equity share (in rupees)	22		
Basic		(6.47)	(1.83)
Diluted		(6.47)	(1.83)
Summary of material accounting policies	3		
The notes referred to above form an integral part of the financial statements	1 - 32		

As per our report of even date attached

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



Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

For and on behalf of the Board of Directors of
Leela Palaces and Resorts Limited
CIN: U70101DL2005PLC134480


Anuraag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025


Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025



LEELA PALACES AND RESORTS LIMITED
Statement of Cash flow for the year ended March 31,2025

(Rupees in lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Cash flows from operating activities		
(Loss) before tax	(176.42)	(49.90)
Adjustments for:		
Finance costs	138.24	13.32
Interest income	(17.04)	(4.81)
Liability no more required written back	(0.69)	-
Operating cash flows before working capital changes	(55.91)	(41.39)
Working capital movements:		
Increase in trade payables	95.11	-
Increase in other financial liabilities	338.75	94.91
(Decrease) in other liabilities	0.69	160.85
(Increase) in other financial assets	(108.93)	(0.86)
(Increase) in other assets	(31.31)	(50.47)
Cash generated from operations	238.40	163.04
Income taxes paid, net	(1.23)	(0.42)
Net cash flows Generated from operating activities (A)	237.17	162.62
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress	(234.52)	(150.62)
Bank deposits placed	(0.85)	(500.00)
Purchase of investments in Lgo Vue Srinagar Private Limited	(1,432.00)	500.00
Interest received on bank deposits	17.05	4.81
Net cash flows used in investing activities (B)	(1,650.32)	(145.81)
Cash flows from financing activities		
Proceeds from inter corporate deposit from related party	2,536.50	505.00
Repayment of inter corporate deposit to related party	(1,019.54)	(505.00)
Interest paid on inter corporate deposits to related party	(61.04)	(13.32)
Net cash flows Generated from financing activities (C)	1,455.92	(13.32)
Net increase in cash and cash equivalents (A+B+C)	42.77	3.48
Cash and cash equivalents at the beginning of the period	6.21	2.73
Cash and cash equivalents at the end of the year	48.98	6.21
Component of cash and cash equivalents		
Balances with banks		
- In current accounts	48.98	6.21
Total cash and cash equivalents (Refer Note 9)	48.98	6.21

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows" notified under section 133 of Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

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

As per our report of even date attached

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



Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

For and on behalf of the Board of Directors of
Leela Palaces and Resorts Limited
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Anuraag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025


Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025



LEELA PALACES AND RESORTS LIMITED

Statement of Changes in Equity for the year ended 31 March, 2025

Statement of changes in equity

A. Equity share capital

(Rupees in lakhs)

Particulars	Notes	No. of shares	Amount
Balance as at April 1, 2023		27,28,130	272.81
Changes in equity share capital		-	-
Balance as at March 31, 2024		27,28,130	272.81
Changes in equity share capital		-	-
Balance as at March 31, 2025		27,28,130.00	272.81

B. Other equity

(Rupees in lakhs)

Particulars	Notes	Reserves and Surplus		Total
		Securities premium	Retained earnings	
Balance as at 1 April 2023		5,530.02	(268.80)	5,261.22
Changes in Equity Share Capital due to prior period errors		-	-	-
(Loss) for the year		-	(49.90)	(49.90)
Other comprehensive income (net of tax)		-	-	-
Balance as at March 31, 2024	13	5,530.02	(318.70)	5,211.32
(Loss) for the period		-	(176.42)	(176.42)
Other comprehensive income (net of tax)		-	-	-
Balance as at March 31, 2025		5,530.02	(495.12)	5,034.90

Summary of material accounting policies

3

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

1 - 32

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

Leela Palaces and Resorts Limited

CIN: U70101DL2005PLC134480



Jaymin Sheth

Partner

Membership Number: 114583

Place: Mumbai

Date: May 06, 2025

Anuraag Bhatnagar

Director

DIN: 07967035

Place: Mumbai

Date: May 06, 2025



Bavi Shankar

Director

DIN: 07967039

Place: Mumbai

Date: May 06, 2025



1 Company overview

Leela Palaces and Resorts Limited (the "Company") a public limited Indian subsidiary company of Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") was incorporated on 29 March 2005 and has its registered office situated at "The Leela Palace", Diplomatic Enclave, Chanakyapuri, New Delhi – 110023. The Company owns land parcel at Agra where the construction is yet to be commenced.

2 Basis of preparation, Critical accounting estimates and judgements,

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

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

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

2.2 Functional and Presentation Currency

The financial statements are prepared in Indian Rupees in lakhs, which is also the Company's functional currency.

2.3 Historical cost convention

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

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

2.4 Current Versus non-current classification

Assets and liabilities are classified into current and non-current categories.

Assets

Current assets are expected to be realized in the company's normal operating cycle, primarily for trading purposes, and expected to be realized within 12 months after the reporting date.

Liabilities

Current liabilities include the current portion of non-current liabilities and are classified as non-current.

2.5 Operating Cycle

The operating cycle is the time between asset acquisition and realisation in cash or cash equivalents. The company's operating cycle is determined to be 12 months, based on the nature of services and the time between asset acquisition and realisation.

3 Material accounting policies

3.1 Revenue recognition and other income

Income from operations

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.

Other income

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

3.2 Going Concern

The Company has incurred a loss of Rs. 176.42 lakhs during the period ended March 31, 2025, has accumulated losses of Rs. 495.12 lakhs and net worth of Rs. 5307.71 lakhs at March 31, 2025 and as of that date, the Company's current liabilities exceeds its current assets by Rs.2255.34 lakhs. The operations of the company has not yet commenced during the period however, the management is confident of its ability to meet the Cash Flow requirements through parent and affiliate support.

The Company has been incurring recurring losses from operations. The Company's short-term commitments on account of current liabilities substantially exceed current assets. The operations of the Company has not yet commenced, however the management is confident of its ability to generate cash flows through additional funding from parent.

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 and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.



3.3 Property, plant and equipment

Property, plant, and equipment are recorded at cost, minus accumulated depreciation and impairment losses. The cost includes acquisition, construction, and expenses related to making the asset operational. It also includes estimates for dismantling and site restoration if required. Additional expenditure is capitalized only if it will likely result in future economic benefits and can be reliably measured. If the carrying amount of an asset exceeds its recoverable amount, it is written down immediately. Depreciation is charged to the profit and loss statement to expense the cost of assets over their useful lives, except for freehold land. Useful lives and residual values are reviewed annually. Assets are derecognized when disposed of or when no future benefits are expected. Any gain or loss on disposal or retirement is recognized in the profit and loss statement.

Capital work in progress

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.

3.4 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws applicable to the Company.

Deferred tax

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in the subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is reasonable certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax assets can be realized.

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 assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably certain (as the case may be) to be realized.

3.5 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.

3.6 Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.7 Cash flow statement

Cash flows are reported using indirect method, whereby profit / (loss) before tax for the period 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.



3.8 Cash and cash equivalents

Cash comprises of cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.9 Earnings per share

The basic and dilutive earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive. 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.

4 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments. The lease liability is measured at amortised cost using the effective interest method. The Company has used number of practical expedients when applying Ind AS 116:- Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

3.10 Foreign exchange translation**Initial recognition**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Conversion

Monetary items denominated in foreign currencies at the period end are restated at period end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference

Exchange differences arising on the settlement or on reporting of monetary items of Company at rates different from those at which they were initially recognized are recorded as income or expense in the period in which they arise.

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets**Initial recognition and measurement**

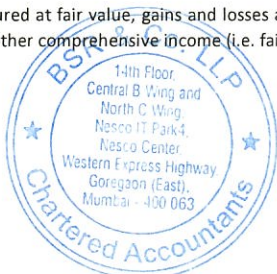
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Debt instruments assets at amortised cost
- Equity instrument measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).



3.11 Financial instruments (continued)**Debt instruments at amortised cost**

A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at fair value through profit and loss (FVTPL)

FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

In addition, the company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not made any such election. This classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investment in subsidiary are measured at cost.

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.

Derecognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:



3.11 Financial instruments (continued)**Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii. Offsetting of financial instruments

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

iv. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.12 Impairment of non-financial assets

Non-financial assets including Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13 Critical accounting judgements and use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities and accompanying disclosures and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the period presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

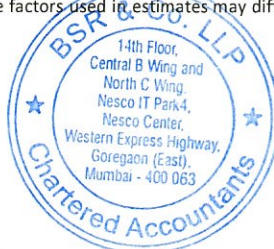
Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

(a) Property, plant and equipment (Note 4)

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment annually in order to determine the amount of depreciation to be recorded during any reporting period. The management believes that the assigned useful lives and residual value are reasonable.

(b) Income taxes (Note 21)

The management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.



(c) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(d) Fair value measurements and valuation processes (Note 25)

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Contingent liabilities:

Judgement is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the legal claims included under contingent liabilities in note. The management assesses the probability of outflow for such items at each balance sheet date to assess whether there is probability or not that an outflow will be required for such contingent liabilities.



4 Property, plant and equipment		(Rupees in lakhs)	
Particulars	Freehold land	Total	
Gross carrying value			
Balance as at April 1, 2024	5,649.52	5,649.52	
Additions during the year	-	-	
Disposals/adjustment during the year	-	-	
Balance as at 31 March, 2025	5,649.52	5,649.52	
Accumulated depreciation			
Balance as at April 1, 2024	-	-	
Charge for the year	-	-	
Disposals during the year	-	-	
Balance as at 31 March, 2025	-	-	
Net block as at 31 March, 2025	5,649.52	5,649.52	
Gross carrying value			
Balance as at 1 April 2023	5,649.52	5,649.52	
Additions during the year	-	-	
Disposals during the year	-	-	
Balance as at 31 March 2024	5,649.52	5,649.52	
Accumulated depreciation			
Balance as at 1 April 2023	-	-	
Charge for the year	-	-	
Disposals during the year	-	-	
Balance as at 31 March 2024	-	-	
Net block as at 31 March 2024	5,649.52	5,649.52	

4.1 Details of title deeds of immovable properties not held in name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rupees in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold land	5,649.52	M/s ISKON Estates Private Limited	No	2011	The land is in the name of the Company as per title deed, however, the mutation in Tehsildar record is in process.

4.2 Details of Assets pledged: Refer Note 24(e) for encumbrance of property, plant and equipments.

4.3 Contractual obligations: Refer Note 23 for disclosure of contractual commitment for the acquisition of property, plant and equipments.

4.4 In the matter of Writ Petition (Civil) No. 13381 of 1984 filed by M.C. Mehta before the Supreme Court of India ("Writ"), there was an interim order on 22 March 2018 to maintain status quo in the Taz Trapezium Zone ("TTZ"), but subsequently the Hon'ble Court vide order dated 6 December 2019 permitted the State Government of Uttar Pradesh and other statutory authorities to grant environmental clearances necessary for providing essential public facilities and to consider requests for relocating eco-friendly non-polluting industrial units, subject to compliance of environmental laws and norms/conditions laid down by the Court.

Hotel Leelaventures Limited ("HLVL") (erstwhile owner of Leela Palaces and Resorts Limited ("LPRL")) had filed Interim Application No. 52372 of 2017 (the "said IA") dated 5 July 2017 in the Writ, seeking permission to remove / translocate / transplant 19 trees that were standing on the Agra Land. The said IA has subsequently been withdrawn, given that LPRL under the new management has modified its development plans in such a manner that it will no longer be required to remove trees. LPRL and HLVL is not a party to the Writ.

LPRL has currently filed an application with the Agra Development Authority for approval of a new building plan.

5 Capital work-in-progress

(Rupees in lakhs)	
At 01 April 2023	-
Additions during the year	150.62
Assets capitalised during the year	-
At March 31, 2024	150.62
Additions during the period	234.52
Assets capitalised during the period	-
At March 31, 2025	385.14

Capital work in progress (CWIP) Ageing Schedule

At March 31, 2025

Capital work in progress	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	234.52	150.62	-	-	385.14
Projects temporarily suspended	-	-	-	-	-

At March 31, 2024

Capital work in progress	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	150.62	-	-	-	150.62
Projects temporarily suspended	-	-	-	-	-



LEELA PALACES AND RESORTS LIMITED
Notes to the Financial Statements for the year ended March 31, 2025 (Continued)

6 Investments	(Rupees in lakhs)	
Particulars	As at 31 March, 2025	As at 31 March, 2024
Investment in Joint ventures (unquoted) (at amortised cost)		
1,43,25,000 equity share of Rs. 10 in Lago Vue Srinagar Private Limited	1,432.00	-
	1,432.00	-
7 Other non-current financial assets	(Rupees in lakhs)	
Particulars	As at 31 March, 2025	As at 31 March, 2024
Bank deposits with maturity of more than 12 months *	14.61	13.77
	14.61	13.77
*Fixed deposit of Rs. 14.61 lakhs is restricted for withdrawal is against Bank guarantee		
8 Other non-current assets	(Rupees in lakhs)	
Particulars	As at 31 March, 2025	As at 31 March, 2024
Balances with government authorities	81.78	50.47
	81.78	50.47
9 Cash and cash equivalents	(Rupees in lakhs)	
Particulars	As at 31 March, 2025	As at 31 March, 2024
Balances with banks		
- in current accounts	48.98	6.21
	48.98	6.21
10 Other current financial assets	(Rupees in lakhs)	
Particulars	As at 31 March, 2025	As at 31 March, 2024
Other Receivables	108.93	-
	108.93	-
11 Current tax assets (net)	(Rupees in lakhs)	
Particulars	As at 31 March, 2025	As at 31 March, 2024
Advance tax and tax deducted at source, net of provision (Provision for tax: Nil)	1.71	0.48
	1.71	0.48



		(Rupees in lakhs)	
12 Equity share capital		As at 31 March, 2025	As at 31 March, 2024
Particulars			
Authorised capital			
27,50,000 (Previous Year : 27,50,000) equity shares of Rs 10 each		275.00	275.00
		275.00	275.00
Issued, subscribed and fully paid-up			
27,28,130 (Previous Year : 27,28,130) equity shares of Rs 10 each		272.81	272.81
		272.81	272.81

Notes:

- a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

Equity shares

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	No. of shares	Amount	No. of shares	Amount
Outstanding as at the beginning of the period	27,28,130	272.81	27,28,130	272.81
Movement during the period	-	-	-	-
Outstanding as at the end of the period	27,28,130	272.81	27,28,130	272.81

- b) Rights, preference and restrictions attached to the equity shares:

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

- c) Shares held by Holding Company:

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each fully paid-up				
BSREP III India Ballet holdings (DIFC) Limited, Holding Company	-	-	27,28,124	272.81
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited), Holding Company	27,28,124	272.81	-	-

- d) Shareholders holding more than 5% shares of a class of shares

Name of the shareholder	As at 31 March, 2025		As at 31 March, 2024	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid-up				
'BSREP III India Ballet holdings (DIFC) Limited, Holding Company	-	-	27,28,124	99.99%
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited), Holding Company	27,28,124	99.99%	-	-

- e) Disclosure of Shareholding of Promoters

Equity shares of Rs. 10 each fully paid-up Promoters	As at 31 March, 2025		As at 31 March, 2024		Change in % of Holding
	No. of shares	% of Holding	No. of shares	% of Holding	
'BSREP III India Ballet holdings (DIFC) Limited, Holding Company	-	-	27,28,124	99.99%	(99.99%)
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited)	27,28,124	99.99%	-	-	99.99%

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

- f) The Company has not made any buy-back, nor there has been an issue of shares by way of bonus share nor issue of share pursuant to contract without payment being received / paid in cash for the period of five years immediately preceding the balance sheet date.

13 Other equity		(Rupees in lakhs)	
Particulars		As at 31 March, 2025	As at 31 March, 2024
Securities premium		5,530.02	5,530.02
Retained earnings		(495.12)	(318.70)
		5,034.90	5,211.32
Securities premium			
Balance at the beginning of the year		5,530.02	5,530.02
Add: Movement during the year		-	-
Balance at the end of the year		5,530.02	5,530.02
Retained earnings			
Balance at the beginning of the year		(318.70)	(268.80)
Add: Loss for the year		(176.42)	(49.90)
Balance at the end of the year		(495.12)	(318.70)
		5,034.90	5,211.32



14 Current borrowings

(Rupees in lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Inter corporate deposit from related party (refer note (A) below)	1,606.14	-
	1,606.14	-

Note (A)**Inter corporate deposit (ICD) from related party**

Inter corporate deposit has been taken from following entities:

- Schloss HMA Private Limited (Principal: Rs. 255.46 Lakhs, Accrued Interest: Rs. 19.21 Lakhs)
- Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited) (Principal: Rs. 1031.5 Lakhs, Accrued Interest: Rs. 50.97 Lakhs)
- Schloss Udaipur Private Limited. (Principal: Rs. 230 Lakhs, Accrued Interest: Rs. 19.00 Lakhs)

The ICD carries interest rate of 12.5 % p.a and same are repayable on demand.

Net debt reconciliation

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

(Rupees in lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Borrowings	1,606.14	11.99
Cash and cash equivalents	48.98	6.21
Total	1,557.16	5.78

Reconciliation

(Rupees in lakhs)

Particulars	Borrowings	Cash and cash equivalents	Total
Net debt as at April 1, 2024	11.99	6.21	5.78
Inter corporate deposit taken	2,536.50	-	2,536.50
Inter corporate deposit repaid	(1,019.54)	-	(1,019.54)
Interest expense	138.24	-	138.24
Cashflow	-	42.77	(42.77)
Interest paid	(61.05)	-	(61.05)
Net debt as at March 31, 2025	1,606.14	48.98	1,557.16

15 Trade payables

(Rupees in lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Trade payables - micro and small enterprises	-	-
Trade payables - others	9.20	5.39
Trade payables - to related parties (refer note 24)	246.45	155.15
	255.65	160.54

Ageing of trade payables as at March 31, 2025

(Rupees in lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1.28	254.37	-	-	-	255.65
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	1.28	254.37	-	-	-	255.65

Ageing of trade payables as at 31 March 2024

(Rupees in lakhs)

Particulars	Accrued	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	5.39	155.15	-	-	-	160.54
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	5.39	155.15	-	-	-	160.54

16 Other current financial liabilities

(Rupees in lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Interest accrued on inter-corporate deposit	-	11.99
Payables to related parties (refer note 24)	548.35	209.60
	548.35	221.59

17 Other current liabilities

(Rupees in lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Statutory dues payable		
- Tax deducted at source	4.82	4.81
	4.82	4.81



LEELA PALACES AND RESORTS LIMITED

Notes to the Financial Statements for the year ended March 31, 2025 (Continued)

18 Other income

(Rupees in lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest income on:		
- fixed deposits	17.04	4.80
- income tax refund	-	0.01
Provision no longer required written back	0.69	-
	17.73	4.81

* Amount is less than the rounding off norms followed by the Company.

19 Finance Cost

(Rupees in lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest on inter corporate deposits	138.24	13.32
	138.24	13.32

20 Other expenses

(Rupees in lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Power and fuel	0.13	0.13
Repairs and maintenance	0.11	0.35
Legal and professional fees	18.06	25.88
Payment to auditors (refer note below)	2.00	2.00
Rates and taxes	15.65	0.67
Security expenses	-	11.69
Travelling and conveyance	5.98	0.42
Communication expenses	0.02	0.00
Printing and stationery	0.02	-
Bank charges	11.44	-
Miscellaneous expenses	2.50	0.25
	55.91	41.39

Note:

Payment to auditors

(Rupees in lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Statutory audit fees	2.00	2.00
	2.00	2.00



LEELA PALACES AND RESORTS LIMITED

Notes to the Financial Statements for the year ended 31 March, 2025 (Continued)

21 Income tax

The major components of income tax expense for the year ended 31 March, 2025 are:

Statement of profit and loss section		(Rupees in lakhs)	
Particulars		For the year ended 31 March, 2025	For the year ended 31 March, 2024
Current income tax:			
Current income tax charge		-	-
Deferred tax:			
Relating to origination and reversal of temporary differences		-	-
Income tax expense reported in the statement of profit or loss		-	-

Reconciliation of tax expense

		(Rupees in lakhs)	
Particulars		For the year ended 31 March, 2025	For the year ended 31 March, 2024
Accounting loss before tax		(176.42)	(49.90)
Computed tax expense			
At Company's domestic tax rate of 25.168% (31 March 2024 : 26.00%)		(44.40)	(12.97)
Adjustments for:			
Deferred tax asset not recognised on tax losses		44.40	12.97
Total		-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note: The deferred tax assets of Rs. 44.4 lakhs (March 31, 2024 : 12.97 millions) on account of business losses are not recognised, as they are not considered to be reasonably certain of realisation.



22 Earnings per share

The following table sets forth the computation of basic and dilutive earnings per share:

Particulars	(Rupees in lakhs)	
	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Loss for the period attributable to equity shareholders	(176.42)	(49.90)
Weighted average number of shares	27,28,130	27,28,130
Earnings per share, basic and diluted (Rupees)	(6.47)	(1.83)

Note: Basic and diluted earnings per share during the current period are same as the Company has no potentially dilutive equity shares outstanding as at the period end.

Reconciliation of shares used in computing earnings per share

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
No. of equity shares at the beginning of the period	27,28,130	27,28,130
Add: Shares issued during the period	-	-
No. of equity shares at the end of the period	27,28,130	27,28,130
Weighted average number of equity shares of Rs. 10 each used for calculation of basic and diluted earnings per share	27,28,130	27,28,130

23 Contingent liabilities and commitments

Contingent liabilities :

Claim against the company not acknowledged as debt : Nil (Previous year: Nil)

Commitments:

Estimated amount of contracts remaining to be executed on account of property, plant and equipments and not provided for (net of capital advances) Rs. 135.39 lakhs. (Previous year : Rs.465.61 lakhs)



24 Related party disclosures

(a) Names of related parties

List of related parties where control exists and relationships

(i) Holding company

Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited) (w.e.f. 31st May 2024)
BSREP III India Ballet Holdings (DIFC) Limited (upto 30th May 2024)

(ii) Fellow subsidiaries

Schloss HMA Private Limited
Schloss Chennai Private Limited
Schloss Udaipur Private Limited
Schloss Gandhinagar Private Limited
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited)(upto 30th May 2024)
Tulsi Palace Resort Private Limited
Moonburg Power Private Limited
Schloss Tadoba Private Limited
Schloss Chanakya Private Limited

(iv) Key managerial personnel

Anuraag Bhatnagar, Director
Anjali Mehra, Director (upto 15th May 2024)
Ravi Shankar, Director
Sougata Kundu, Director

(b) Transactions during the period

Particulars	(Rupees in lakhs)	
	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Reimbursement of expenses paid to / (received from)		
Schloss HMA Private Limited	361.48	216.70
ICD taken		
Schloss Chanakya Private Limited	400.00	505.00
Schloss HMA Private Limited	875.00	-
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited)	1,031.50	-
Schloss Udaipur Private Limited	230.00	-
ICD Repaid		
Schloss Chanakya Private Limited	400.00	505.00
Schloss HMA Private Limited	619.50	-
Interest on ICD		
Schloss Chanakya Private Limited	14.38	13.32
Schloss HMA Private Limited	46.11	-
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited)	56.64	-
Schloss Udaipur Private Limited	21.11	-

(c) Outstanding balances

Particulars	(Rupees in lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Other Payables (Provision)		
Schloss HMA Private Limited	-	209.60
Trade Payables		
Schloss HMA Private Limited	246.45	155.15
Other receivable		
Lago Vue	108.93	-
Other Current Financial Liability		
Schloss HMA Private Limited	548.27	-
Inter-Corporate Deposit Payable (including interest)		
Schloss HMA Private Limited	255.46	-
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited)	1,031.50	-
Schloss Chanakya Private Limited	-	11.99
Schloss Udaipur Private Limited	230.00	-
Interest on ICD Payable		
Schloss HMA Private Limited	19.21	-
Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited)	50.97	-
Schloss Udaipur Private Limited	19.00	-

(d) Corporate Guarantee

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

(e) Names of related parties where control exists

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

(f) Other Security

The Company has extended the mortgage on its land for the term loan , co-borrower's of which include the Company (w.e.f. 29 March 2025), Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited), Schloss Chanakya Private Limited, Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss HMA Private Limited (w.e.f. 29 March 2025).



25 Financial instruments - fair value measurement

Accounting classifications and fair values Particulars	(Rupees in lakhs)		
	As at 31 March, 2025		As at 31 March, 2024
	FVTPL	Amortised cost	Carrying amount
Financial assets measured at amortized cost:			
Investments (Level 3)	1,432.00	-	1,432.00
Cash and cash equivalents	-	48.98	48.98
Other financial assets	-	123.55	123.55
Total	1,432.00	172.53	1,604.53
Financial liabilities measured at amortized cost:			
Borrowings	-	1,606.14	1,606.14
Trade payables	-	255.65	255.65
Other financial liabilities	-	548.35	548.35
Total	-	2,410.14	2,410.14

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 cash and cash equivalents, fixed deposits with banks, trade payables are considered to be the same as their fair values, due to their short-term nature.

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

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

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

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

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

There has been no transfer between different fair values hierarchy level for the year ended March 31, 2025.

26 Financial instruments - risk management

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

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

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

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

A. Credit risk

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with banks with high credit ratings assigned by credit rating agencies.

Other financial assets consists of Rs. 123.55 lakhs for which the credit risk has not increased significantly since initial recognition, accordingly expected probability of default is low.

B. Liquidity risk

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

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

Also, refer note on going concern assessment (Refer note 3.2). Accordingly, no liquidity risk is perceived.

(i) Financing arrangements

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

Particulars	As at 31 March, 2025	As at March 31, 2024
Fixed interest rate	-	-
Floating interest rate*	7,702.70	-
Total	7,702.70	-

* The undrawn borrowing facilities of Rs. 7,702.70 Lakhs is fungible amongst 6 SPV's namely Schloss Bangalore Limited (Formerly known as Schloss Bangalore Private Limited), Schloss Chanakya Private Limited, Schloss Chennai Private Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited and Leela Palaces and Resorts Limited.

Maturities of financial liabilities

Particulars	Carrying amount	Total	0-12 months	1-2 years	3-5 years	> 5 years
As at March 31, 2025						
Borrowings	1,606.14	1,606.14	1,606.14	-	-	-
Trade payables	255.65	255.65	255.65	-	-	-
Other financial liabilities	548.35	548.35	548.35	-	-	-
Total	2,410.14	2,410.14	2,410.14	-	-	-

Maturities of financial liabilities

Particulars	Carrying amount	Total	0-12 months	1-2 years	3-5 years	> 5 years
As at 31 March 2024						
Borrowings	-	-	-	-	-	-
Other financial liabilities	221.59	221.59	221.59	-	-	-
Total	221.59	221.59	221.59	-	-	-



C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) 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 exchange rates. The Company does not have any foreign currency related transactions and hence there is no exposure to foreign exchange risk.

ii) 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 did not had any variable rate borrowings outstanding.

27 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital as well as of dividend to ordinary shareholders. The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as interest-bearing loans and borrowings, less cash and cash equivalents, other bank balances.

The adjusted net debt to adjusted equity ratio at the end of the reporting period was as follows:

Particulars	(Rupees in lakhs)	
	As at 31 March, 2025	As at 31 March, 2024
Total borrowings	1,606.14	-
Less: Cash and cash equivalent	48.98	6.21
Adjusted net debt	1,557.16	(6.21)
Equity share capital	272.81	272.81
Retained earnings	5,034.90	5,211.32
Total equity	5,307.71	5,484.13
Adjusted net debt to total equity ratio	29.34%	-

28 Leases**Company as lessee**

As a lessee, the Company applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition and low value assets.

Particulars	(Rupees in lakhs)	
	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Amount recognized in statement of profit and loss		
Expense relating to short-term leases and low value assets	-	-

29 State Bank of India has granted a (i) term loan facility under the Common Facility Agreement dated 30 September 2019 (2,75,000.00 lakhs), (ii) working capital facility under the working capital facility agreement dated 9 December 2020 and 9 December 2021 (5000.00 lakhs) to the Company (w.e.f. 29 March 2025) and the fellow subsidiaries of the Company i.e. Schloss Chanakya Private Limited, Schloss Bangalore Private Limited, Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss HMA Private Limited (w.e.f. 29 March 2025) (jointly co-borrower); (iii) GECL facility under the facility agreement dated 1 March 2021 (14,700.00 lakhs) to the two fellow subsidiaries of the Company i.e. Schloss Chennai Private Limited and Schloss Udaipur Private Limited; and (iv) GECL facility under the facility agreement dated 22 December 2021 (54,700.00 lakhs) to the four fellow subsidiaries of the Company i.e. Schloss Chanakya Private Limited, Schloss Bangalore Private Limited, Schloss Chennai Private Limited and Schloss Udaipur Private Limited, (jointly co-borrower) for the total facilities amounting to Rs. 3,49,400.00 lakhs for the purpose of acquisition, refurbishment and working capital requirements of the hotel property acquired by each of the co-borrowers. The total term loan under the said agreement is secured against assets of the Company.

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

- i) The Company do not have any issue of securities or long term borrowings from banks and financial institutions.
- ii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- iii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- iv) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- v) The Company have not traded or invested in Crypto currency or Virtual Currency during the period .
- vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



31 Ratio Analysis and its elements*

Ratio Analysis	Numerator	Denominator	As at 31 March, 2025	As at 31 March, 2024	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities excluding current maturities of long-term borrowings	0.07	0.02	282.26%	Increase in current ratio is primarily on account of increase in cash & cash equivalents and other current financial liability.
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	-0.03	-0.01	0.00%	NA
Return on Capital employed	EBIT	Capital Employed	-0.01	-0.01	17.22%	Decrease in Return on employed ratio is on account of reduction in loss for the period.

* The Company has not presented the following ratios due to the reasons given below:

- Inventory Turnover Ratio : Since Company does not hold any Inventory during the Current period.
- Trade Receivables Turnover Ratio : There are No Trade Receivables during the Current period.
- Trade Payables Turnover Ratio : The Company haven't earned any revenue during the Current period.
- Net Capital Turnover Ratio : Since there are no Sales for the Current period.
- Net Profit Ratio : Since there are no Sales for the Current period.
- Return on investments : Since the Company does not holds any funds/investment.

32 Transaction with Struck off Companies

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

33 Subsequent events

There are no events after the reporting period.

As per our report of even date attached

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



Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

For and on behalf of the Board of Directors of
Leela Palaces and Resorts Limited
CIN: U70101DL2005PLC134480


Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025


Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025

