

Independent Auditor's Report

To the Members of Schloss HMA Private Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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.

Independent Auditor's Report (*Continued*)

Schloss HMA Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Continued)

Schloss HMA Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - 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 has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 31 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36(g) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36(g) 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. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Independent Auditor's Report (Continued)

Schloss HMA Private Limited

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

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

Chartered Accountants

Firm's Registration No.:101248WW-100022



Jaymin Sheth

Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 114583

ICAI UDIN:25114583BMKYGN2791

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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering hotel management services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(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 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 made any investments in or provided guarantee or security to companies, firms, limited liability partnership or any other parties. The Company has granted unsecured loan to a fellow subsidiary and advances in the nature of loan to employees during the year in respect of which the requisite information is as below. The Company has not provided any guarantee or granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee as below:

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

Particulars	Loans (Rs in million)	Advances in nature of loans (Rs in million)
Aggregate amount during the year - Fellow Subsidiaries - Employees	87.50 -	- 1.73
Balance outstanding as at balance sheet date - Fellow Subsidiaries - Employees	25.55 -	- 1.40

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and advances in the nature of loans during the year are not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan given to a fellow subsidiary is repayable on demand. In case of advances in the nature of loan given to employees (as per policy of the Company is interest free), schedule of repayment is stipulated. The payment of principal and interest have been regular wherever applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given or advances in the nature of loan.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties (Rs in million)
Aggregate of loans/advances in nature of loan - Repayable on demand	87.50
Percentage of loans to the total loans	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans and guarantee given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. According to the information and explanations given to us and on the basis of our

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

examination of records of the Company, the Company has not made any investments or provided security and therefore the relevant provisions of Sections 186 of the Companies Act, 2013.

- (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 services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax	Tax, interest and penalty	1,606.93	FY 2019-20 and 2020-21	Bombay High Court	

- (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.

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

- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a wholly owned subsidiary of a deemed public limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanation provided to us, there is no core investment

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

- company within the Group (as per the provision of Core Investment Company (Reserve Bank) Directors 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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



Jaymin Sheth

Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 114583

ICAI UDIN:25114583BMKYGN2791

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

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

(Referred to in paragraph 2(A)(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 Schloss HMA Private Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Jaymin Sheth

Partner

Place: Mumbai

Date: 06 May 2025

Membership No.: 114583

ICAI UDIN:25114583BMKYGN2791

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

(Rupees in millions)

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

Corporate information 1
Summary of material accounting policies 2

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

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



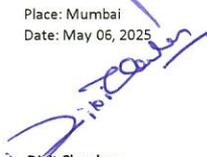
Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

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


Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025


Dixit Chauhan
Chief Financial Officer

Place: Mumbai
Date: May 06, 2025



Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025


Parg Gupta
Company Secretary
Membership No. A50725

Place: Mumbai
Date: May 06, 2025



SCHLOSS HMA PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31,2025

	Notes	(Rupees in millions)	
		For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	20	1889.41	1,536.13
Other income	21	37.34	18.45
Total Income		1,926.75	1,554.58
Expenses			
Employee benefit expenses	22	565.01	498.53
Finance costs	23	233.09	334.36
Depreciation and amortisation expense	24	290.17	462.97
Other expenses	25	481.67	410.86
Total expenses		1,569.94	1,706.72
Profit/ (Loss) before tax		356.81	(152.14)
Income Tax Expense			
-Current Tax		-	-
-Deferred Tax charge/ (credit)	26	-	-
Total Tax Expense		-	-
Profit/ (Loss) for the period		356.81	(152.14)
Other Comprehensive Income			
<i>Items that will not be reclassified to Profit and Loss</i>			
Remeasurements of Post Employment Benefit Obligations	16	9.69	(8.87)
Income tax relating to these items	26	-	-
Other comprehensive Profit /(loss) for the period, net of tax		9.69	(8.87)
Total comprehensive Profit/(loss) for the period		366.50	(161.01)
Earnings per equity share (in rupees):			
Basic earnings per share (in Rs.) (Face value Rs. 10 each)	33	9.70	(4.14)
Diluted earnings per share (in Rs.) (Face value of Rs. 10 each)	33	9.70	(4.14)
Corporate information	1		
Summary of material accounting policies	2		

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

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



Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

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



Anuraag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025



Dixit Chauhan
Chief Financial Officer

Place: Mumbai
Date: May 06, 2025



Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025



Parag Gupta
Company Secretary
Membership No. A50725

Place: Mumbai
Date: May 06, 2025



SCHLOSS HMA PRIVATE LIMITED
Statement of Cash flows for the year ended March 31, 2025

Particulars	(Rupees in millions)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
(Loss)/ Profit before tax for the Year	356.81	(152.14)
<i>Adjustments for:</i>		
Depreciation and amortisation	290.16	462.97
Finance costs	233.09	334.36
Impairment losses/(reversal) on financial assets	(186.05)	27.41
Interest income on income tax refund	(4.20)	(6.38)
Interest income	(6.56)	(0.19)
Loss on sale of property, plant and equipment	-	14.44
Gain on cancellation of leases	(4.93)	(8.58)
Interest Income on amortisation of financial assets	(2.53)	(2.70)
Operating cash flows before working capital changes	675.79	669.19
Working capital adjustments:		
Decrease/(Increase) in receivables	476.17	(492.94)
(Increase) in other financial assets	(62.86)	(40.09)
Decrease in other assets	32.95	1.16
(Decrease)/Increase in trade payables	26.30	(20.79)
Increase in other financial liabilities	0.17	19.51
Increase in employee benefit obligations	5.65	12.48
(Decrease) in other current liabilities	(6.33)	(12.99)
Cash generated from operations	1,147.83	135.53
Income taxes (paid)/received, net	6.25	30.06
Net cash flows generated from operating activities (A)	1,154.08	165.59
Cash flows from investing activities		
Purchase of property, plant and equipments	(11.68)	(72.09)
Inter-corporate loan given to related parties	(87.50)	-
Inter-corporate loan repayment received from related parties	61.95	-
Interest received on loan given to related parties	2.69	-
Purchase of Intangible assets	(0.05)	(0.12)
Proceeds from sale of property, plant and equipments	-	0.85
Investment in fixed deposits	(314.48)	-
Proceeds from fixed deposits	285.00	31.57
Interest received	1.29	0.19
Net cash flows used in investing activities (B)	(62.79)	(36.60)
Cash flows from financing activities		
Principal payment of lease liabilities	(51.49)	(25.17)
Interest elements of lease payments	(24.58)	(25.80)
Proceeds from borrowings from related parties	1,605.82	-
Repayments of borrowings to related parties	(1,547.72)	-
Finance costs paid on CCD Conversion	(868.94)	-
Finance costs paid to related parties	(202.40)	(7.53)
Net cash flows used in financing activities (C)	(1,089.31)	(58.50)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1.98	70.49
Cash and cash equivalents as at beginning of the period	182.74	112.25
Cash and cash equivalents at the end of the period	184.72	182.74
Cash on hand		
Balance with banks		
-in current account	79.20	152.74
-deposit with original maturity less than three months	105.52	30.00
Total cash and cash equivalents (Refer note 11)	184.72	182.74
Supplemental information to the cashflow (refer note 15)		

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022


Jaymin Sheth

Partner

Membership Number: 114583

Place: Mumbai

Date: May 06, 2025

For and on behalf of the board of directors of

Schloss HMA Private Limited

CIN: U55209TN2019PTC136428


Anuraag Bhatnagar

Director

DIN: 07967035

Place: Mumbai

Date: May 06, 2025


Ravi Shankar

Director

DIN: 07967039

Place: Mumbai

Date: May 06, 2025


Dixit Chauhan

Chief Financial Officer

Place: Mumbai

Date: May 06, 2025


Parag Gupta

Company Secretary

Membership No. A50725

Place: Mumbai

Date: May 06, 2025



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

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

B. Other Equity		(Rupees in millions)					
Particulars	Notes	Equity Component of compound financial instruments	Reserves and Surplus			Total	
			Securities premium	Retained earnings	Retained earnings - fair value as deemed cost		Other Equity
Balance as at April 1, 2023		1,070.70	885.85	(1,877.17)	1.26	-	80.64
(Loss) for the Year	14	-	-	(152.14)	-	-	(152.14)
Other comprehensive (loss) for the year, net of tax	14	-	-	(8.87)	-	-	(8.87)
Gain on account of modification in terms of compound financial instruments	14	157.48	-	-	-	-	157.48
Total		157.48	-	(161.01)	-	-	(3.53)
Balance as at March 31, 2024	14	-	885.85	(2,038.18)	1.26	-	(1,151.07)
(Loss)/Profit for the Year	14	-	-	356.81	-	-	356.81
Other comprehensive (loss) for the year, net of tax	14	-	-	9.69	-	-	9.69
Gain/(loss) on account of settlement of compound financial instruments	14	-	-	-	-	(57.72)	(57.72)
Change during the Year	14	-	2,326.32	-	-	-	2,326.32
Total		-	2,326.32	366.50	-	(57.72)	2,635.10
Balance as at March 31, 2025		-	3,212.17	(1,671.68)	1.26	(57.72)	1,484.03

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Schloss HMA Private Limited

CIN: U55209TN2019PTC136428



Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025



Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025



Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025



Dixit Chauhan
Chief Financial Officer

Place: Mumbai
Date: May 06, 2025



Parag Gupta
Company Secretary
Membership No. A50725

Place: Mumbai
Date: May 06, 2025



Background and basis of preparation

1 Company information

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

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

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

Rounding off amounts :

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

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

2.1 Statement of Compliance

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

The financial statements are prepared in Indian rupees in millions.

Historical cost convention

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

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

2.2 Critical Accounting estimates and judgements

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

– **Useful Lives of Property, Plant and Equipment and Intangible Assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer note 3 and 4 for further details.

– **Impairment Testing:** Property, plant and equipment and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer note 4 for further details.

2.2 Critical Accounting estimates and judgements (Contd.)

– **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss. Refer note 26 for further details.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss. Refer note 26 for further details.



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

The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. Refer note 16 for further details.

- **Leases:** The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer Note 5 for further details.

- **Fair value Measurement of Financial Instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible. Refer Note 27 for further details.

2.3 Going Concern

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

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

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

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

Further, the Company has also received a letter of financial support from BSREP III India Ballet Holdings (DIFC) Limited to help enable the Company to meet all its contractual obligations and liabilities as and when they fall due in near future and accordingly, these financial statements have been prepared on a going concern basis

2.4 Current / Non-current classification

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

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non current assets.

All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the balance sheet date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

2.4 Current / Non-current classification (Contd.)

Operating cycle

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

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



2.5 Material Accounting Policies

a) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is Indian Rupee.

(ii) Transactions and balances

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

(iii) Subsequent measurement

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

b) Cash and cash equivalents

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

c) Earnings per share

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

d) Revenue recognition and other income

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

Management and other operating fees:

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

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

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

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

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

Cost Reimbursements

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

Other Income

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

e) Cash flow statement

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



2.5 Material Accounting Policies (Contd.)

f) **Property Plant and equipment**

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

Category of assets	Useful life as per Schedule II (in years)
Plant and machinery	15 years
Office equipments	3 to 5 years
Computers	3 years
Data processing units	6 years
Furniture & Fixtures	8 years
Leasehold improvements	Lower of Lease term or useful live
Vehicles	6 years

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

g) **Intangible assets**

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

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

Category of assets	Useful life (in years)
Computer software	6 years
Brand	5 years
Management contracts	5 years or terms of the contract
Website	3 years

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

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

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



2.5 Material Accounting Policies (Contd.)

h) Impairment of assets

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

i) Income taxes

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

Current tax

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

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

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

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

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

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

j) Employee benefits

Short term employee benefits

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

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

Long term employee benefits

Defined contribution plans

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



2.5 Material Accounting Policies (Contd.)

Defined benefit plans

(Post-employment benefit)

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

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

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

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

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

Other long-term employee benefits

Compensated absences

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

k) Provisions, contingent liabilities and contingent assets

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

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

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

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

l) Financial instruments

(i) Classification

The company classifies its financial assets in the following measurement categories

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

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

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

(ii) Recognition

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

(iii) Measurement

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

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



-Debt instruments

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

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

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

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

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

Compound financial instruments

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

Trade and other receivables

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

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

Borrowings

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

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

Derecognition of financial asset & financial liabilities

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

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

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

Gain or loss on derecognition

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

Impairment of financial assets

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

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

Offsetting of financial instruments

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



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

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

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

Note 1: Details of Intangible Assets pledged:

The lender has granted a term loan facility under the Common Facility Agreement dated September 30, 2019 to the Company (w.e.f. March 29, 2025) and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Bangalore Limited, Schloss Chanakya Private Limited and Schloss Udaipur Private Limited and Leela Palaces and Resorts Limited (w.e.f. March 29, 2025) for a total amounting to Rs. 27,500.00 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property (Rs. 2,000 millions) fully fungible amongst each of the four co-borrower's hotel property. The door to door tenure of the loan is 15 years including moratorium of one year.

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

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



SCHLOSS HMA PRIVATE LIMITED

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

3 Property, plant and equipment

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

* Fully depreciated vehicle still in use.

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



4 Other intangible assets and goodwill (Contd.)

Note 2: Impairment testing:

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

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

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

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

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

5 Leases

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

(Rupees in millions)

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

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

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

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

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

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

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

(iii) Extension and termination options

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

(iv) Critical judgements in determining the lease term:

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



SCHLOSS HMA PRIVATE LIMITED

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

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

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

Break-up of security details	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Loans considered good- secured	-	-
Loans considered good- unsecured	27.47	-
Total loans	27.47	-

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

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

*Includes accrued interest of Rs. 1.21 millions.

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

8 Non current tax assets (net)	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
Advance tax and tax deducted at source (net of provisions for tax: nil)	98.43	100.48
Total	98.43	100.48



SCHLOSS HMA PRIVATE LIMITED

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

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

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

Note:

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

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

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

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

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



SCHLOSS HMA PRIVATE LIMITED

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

10 Trade receivables

(Rupees in millions)

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

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

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

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

(iii) For related party balances refer note 34.



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

10 Trade receivables (Contd.)

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

Ageing of trade receivables as at March 31, 2024

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



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

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

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



13 Equity share capital

(Rupees in millions)

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

(i) Movements in share capital

(a) Authorised share capital

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

(b) Issued, subscribed and paid up

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

Terms, rights, preferences and restrictions attached to equity shares

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

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

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

As at March 31, 2025

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

As at March 31, 2024

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

(iii) Shares of the company held by holding company

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

(iv) Details of shareholding of promoters:

As at March 31, 2025

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

As at March 31, 2024

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

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



SCHLOSS HMA PRIVATE LIMITED

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

(v) Terms of any securities convertible into equity

Refer Note 15(a) for terms of conversion of Compulsorily Convertible Debentures into equity shares.

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

14 Other Equity

(Rupees in millions)

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

(a) Equity Component of compound financial instruments

(Rupees in millions)

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

(b) Securities premium

(Rupees in millions)

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

(c) Retained earnings

(Rupees in millions)

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

(d) Retained earnings - fair value as deemed cost

(Rupees in millions)

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

(e) Other equity

(Rupees in millions)

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

Nature and purpose of reserves:

i Securities premium

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

ii Retained earnings

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

iii Retained earnings - fair value as deemed cost

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

iv Other equity

This represents the loss on settlement of compulsory convertible debentures.

v Equity component of compound financial instrument

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



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

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

Conversion terms:

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

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

Restriction on payment of interest on CCDs:

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

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

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

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

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

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

	(Rupees in millions)			
	As at March 31, 2025	As at March 31, 2024		
Borrowings	(658.32)	(2,761.98)		
Lease liabilities	(222.86)	(279.27)		
Cash and cash equivalents	184.72	182.74		
Total	(696.46)	(2,858.51)		
Reconciliation				
	Borrowings	Lease liabilities	Cash and cash equivalents	Total
Net debt as at April 1, 2023	2,658.87	121.51	112.25	2,892.64
Interest expense	308.56	25.80	-	334.36
New leases	-	282.09	-	282.09
Derecognition of lease liabilities	-	(99.16)	-	(99.16)
Cash flows	-	(25.17)	70.49	45.32
Interest paid	(7.53)	(25.80)	-	(33.33)
Gain on modification compulsory convertible debenture	(157.48)	-	-	(157.48)
Others	(40.45)	-	-	(40.45)
Net debt as at March 31, 2024	2,761.97	279.27	182.74	3,223.98
Interest expense	208.46	24.58	-	233.04
Derecognition of lease liabilities	-	(4.92)	-	(4.92)
Cash flows	58.11	(51.49)	1.98	4.63
Impact of conversion of compulsory convertible debenture	(1,298.89)	-	-	(1,298.89)
Interest paid	(1,071.33)	(24.58)	-	(1,095.91)
Net debt as at March 31, 2025	658.32	222.86	184.72	696.46



16 Provisions

(Rupees in millions)

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

a) Defined contributions plan: Provident fund

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

The contributions are charged to the statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund for the year ended March 31 2025 amounting to Rs.14.19 million. (March 31, 2024: Rs.13.61 million)

b) Compensated absences

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

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

The expense of compensated absences (non-funded) for the year ended March 31, 2025 amounting to Rs 0.43 Million (March 31, 2024 : Rs.8.56 million) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

c) Defined benefit plan obligations: Gratuity

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

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

Amounts recognised in the statement of profit and loss

(Rupees in millions)

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

Amounts recognised in Other Comprehensive Income:

(Rupees in millions)

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

Gratuity plan

(Rupees in millions)

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

Net defined benefit liability is bifurcated as follows:

Current	2.14	2.91
Non-current	12.54	15.92



16 Provisions (Cont.)

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

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

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

Significant actuarial assumptions were as follows:

	As at March 31, 2025	As at March 31, 2024
Discount rate	7.04%	7.25%
Salary growth rate	8.00%	8.00%
Retirement age (in years)	58.00	58.00
Mortality rate during employment	100% of IALM (2012-14)	IALM (2012-14) Ultimate
Attrition at Ages		
- Up to 30 Years	3.00%	3.00%
- From 31 to 44 years	3.00%	3.00%
- Above 44 years	3.00%	3.00%

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



16 Provisions (Cont.)

Sensitivity analysis

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

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

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

Maturity analysis

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

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

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

Risk exposure

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

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

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

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

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

The major categories of plans assets -

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



17 Trade payables

(Rupees in millions)

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

Ageing of trade payables as at March 31, 2025

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

Ageing of trade payables as at 31 March 2024

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

Outstanding Dues to Micro and Small Enterprises

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

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

18 Other financial liabilities

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

19 Other liabilities

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

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



20 Revenue from operations	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from services		
Management and other operating fees	1,889.41	1,536.13
Total	1,889.41	1,536.13

Disaggregation of revenue	<i>(Rupees in millions)</i>			
	For the year ended March 31, 2025		For the year ended March 31, 2024	
	At a point in time	Over time	At a point in time	Over time
-Management and marketing fees	-	682.18	-	558.68
-Incentive fees	-	768.72	-	643.77
-Corporate and other support fees	-	6.96	-	77.00
-Cost reimbursement revenue	-	431.55	-	256.68
	-	1,889.41	-	1,536.13

21 Other income	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Other income:		
Interest income on financial assets recognised at amortised cost:		
- Deposits with banks	1.95	0.19
- Interest on Income tax refund	4.20	6.38
- Security deposits	2.53	2.70
- Inter-corporate deposits	4.61	-
Miscellaneous income	19.12	0.60
(b) Other gains / (losses)		
Gain on cancellation of leases	4.93	8.58
Total	37.34	18.45

22 Employee benefit expenses	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	444.48	413.77
Contribution to provident fund	14.19	13.61
Staff welfare expenses	99.88	57.15
Gratuity	6.03	5.44
Leave compensation	0.43	8.56
Total employee benefit expenses	565.01	498.53

23 Finance costs	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on:		
- Lease liability	24.58	25.80
- Liability component of compound financial instruments	73.73	233.35
- Inter corporate deposits (ICDs)	134.72	75.21
Other finance costs	0.06	-
Total finance costs	233.09	334.36

24 Depreciation and amortisation expenses	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipments	17.83	9.59
Amortisation on intangible assets	212.81	386.09
Depreciation on right-of-use assets	59.53	67.29
Total depreciation and amortisation expenses	290.17	462.97



SCHLOSS HMA PRIVATE LIMITED

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

25 Other expenses

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

Details of payments to auditors

	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to auditors		
As auditor:		
- Audit fee	2.10	2.10
Total payment to auditors	2.10	2.10



26 Taxation

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

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

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

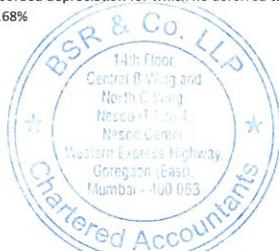
(c) Deferred tax assets (net)	(Rupees in millions)	
	As at March 31, 2025	As at March 31, 2024
The balance comprises temporary differences attributable to:		
Deferred tax assets		
Lease liabilities	49.29	64.29
Total:	49.29	64.29
Deferred tax liability		
Right of use assets	(49.29)	(64.29)
Total:	(49.29)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

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

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

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

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



27 Fair Value Measurement

(i) Financial instruments by category

As at March 31, 2025

(Rupees in millions)

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

As at March 31, 2024

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

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

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

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

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

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

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

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

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

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

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



28 Financial Risk Management

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

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

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

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

A. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from loans given to related party, trade receivables, cash and bank balance and other financial assets.

The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

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

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

Trade receivables

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

The Company also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The carrying amounts of trade receivables as disclosed in note - 10 represent the maximum credit risk exposure.

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

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

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Opening	337.55	310.14
Loss allowance recognised	-	27.41
Amounts written off	186.05	-
Closing	<u>151.50</u>	<u>337.55</u>

B. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Company's management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

(Rs.in millions)

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

(ii) Maturities of financial liabilities

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

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

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

As at March 31, 2025	Carrying Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	(Rs.in millions)
						Total
Borrowings	658.32	658.32	-	-	-	658.32
Lease liabilities	222.86	73.39	76.69	113.33	-	263.42
Trade payables	77.69	77.69	-	-	-	77.69
Other financial liabilities	96.67	96.67	-	-	-	96.67
Total financial liabilities	1,055.54	906.07	76.69	113.33	-	1,096.10



(Rs.in millions)

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

C. Market risk

Market risks comprises of:

- Foreign exchange risk

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

ii. Foreign exchange sensitivity

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

b) Interest rate risk

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

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



29 Capital Management

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

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

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

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

The gearing ratios were as follows:

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

30 Segment information:

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

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

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



31 Contingent liabilities

(Rupees in millions)

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

Note:

The breakup of disputed statutory liabilities is as under:

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

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

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

32 Commitments

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

33 Earnings per share

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

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

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



SCHLOSS HMA PRIVATE LIMITED

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

34 Related party transactions

A Name of related parties

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

(i) Holding company

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

(ii) Fellow subsidiaries

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

II Associate

Lago Vue Srinagar Private Limited

III Key Management Personnel

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

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

(Rupees in millions)

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



SCHLOSS HMA PRIVATE LIMITED

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

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

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

C Outstanding Balances

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

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



SCHLOSS HMA PRIVATE LIMITED

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

D Corporate Guarantee

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

E Names of related parties where control exists

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

F Terms and conditions

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



35 Ratio Analysis

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

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

a. Return on investments: since the Company does not holds any funds/investment

36 Other regulatory information required by Schedule III

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



SCHLOSS HMA PRIVATE LIMITED

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

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

k) Title Deeds of immoveable properties:

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

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

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

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

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

37 Subsequent events

There are no events after the reporting year.

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



Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: May 06, 2025

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



Anurag Bhatnagar
Director
DIN: 07967035

Place: Mumbai
Date: May 06, 2025



Ravi Shankar
Director
DIN: 07967039

Place: Mumbai
Date: May 06, 2025



Dirit Chauhan
Chief Financial Officer

Place: Mumbai
Date: May 06, 2025



Parag Gupta
Company Secretary
Membership No. A50725

Place: Mumbai
Date: May 06, 2025

