

Independent Auditor's Report

To the Members of Schloss Chanakya Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Schloss Chanakya Private Limited (the "Company") which comprise the balance sheet as at 31 March 2026, 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 2026, 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.

Registered Office:

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

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

Independent Auditor's Report (Continued)**Schloss Chanakya 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 Chanakya Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The 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 on various dates between 1 April 2026 to 23 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 34 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 their knowledge and belief, as disclosed in the Note 44(vi) 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 their knowledge and belief, other than as disclosed in the Note 44(vii) 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.

Independent Auditor's Report (Continued)

Schloss Chanakya Private Limited

- f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility except for an accounting software used for purchases and inventory management where feature of recording the audit trail (edit log) facility was not enabled at the database level to log any direct changes upto 25 June 2025. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

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Tarun Kinger

Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 105003

ICAI UDIN:26105003USYGLA5311

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2026

(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 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The Company has verified all the property, plant and equipment during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments and granted unsecured loans to companies and advances in the nature of loans to employees during the year in respect of which the requisite information is as below. The Company has not provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments, granted any loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnership or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured loans to subsidiaries and advances in the nature of loans to employees as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2026 (Continued)

Particulars	Loans (Rs in millions)	Advances in nature of loans (Rs in millions)
Aggregate amount during the year		
Subsidiaries*	4,864.95	-
Employees	-	0.95
Balance outstanding as at balance sheet date in respect of above		
Subsidiaries*	4,116.02	-
Employees	-	0.53

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and advances in the nature of loans 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 respect of loans granted to subsidiaries, the terms and conditions relating to the repayment of principal and payment of interest have been stipulated. Further, in respect of advances in the nature of loans granted to employees, as per policy of the Company, which are interest free, the repayment schedules have been stipulated. The repayment of principal and the receipt of interest, wherever applicable, have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given and advances in the nature of loans.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 ("the Act") in respect of loans granted by the Company. The Company has not given any guarantees or security to parties covered under Section 185 of the Act. Further, in terms of Section 186(11) of the Act, the Company is exempt from the provisions of Section 186 except Section 186(1) since the Company is engaged in the business of providing infrastructure facilities. Accordingly, the relevant provisions of Section 186 are not applicable to the loans granted by the Company. The Company has complied with the provisions of Section 186(1) of the Act with respect to the investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2026 (Continued)

prescribed the maintenance of cost records under Section 148(1) of the Act for the goods sold and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs 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 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, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 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 millions)	Period to which the amount relates	Forum where dispute is pending	Remarks , if any
Finance Act, 1994	Tax, interest and penalty	5.46	FY 2016-17 and FY 2017-18	Customs, Excise and Service Tax Appellate Tribunal	

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

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2026 (Continued)

financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries (as defined under the Act) as per details below:

Nature of fund taken	Name of lender (May mention whether Bank/ NBFC/ Corporate etc)	Amount involved (Rs in million)	Name of the relevant subsidiary, joint venture, associate	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Compulsor y Convertible Preference Shares	Holding Company	4,700.00	Tulsi Palace Resort Private Limited	Subsidiary	Repayment of Non-convertible debentures	
Inter corporate deposit	Holding Company	164.95	Schloss Udaipur Private Limited	Subsidiary	Repayment of bank borrowings	

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year. In our opinion, in respect of private placement of preference shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.
- (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 public limited company and accordingly the

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2026 (Continued)

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) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are 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

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Schloss Chanakya Private Limited for the year ended 31 March 2026
(Continued)**

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

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Tarun Kinger

Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 105003

ICAI UDIN:26105003USYGLA5311

Annexure B to the Independent Auditor's Report on the financial statements of Schloss Chanakya Private Limited for the year ended 31 March 2026

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Schloss Chanakya Private Limited ("the Company") as of 31 March 2026 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 2026, 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 Chanakya Private Limited for the year ended 31 March 2026 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

**Tarun Kanhayalal
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Date: 2026.04.28 18:35:03
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Tarun Kinger

Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 105003

ICAI UDIN:26105003USYGLA5311

Schloss Chanakya Private Limited
Balance Sheet as at March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,934.21	17,665.74
Capital work-in-progress	3	493.37	85.91
Goodwill	4	527.57	527.57
Other intangible assets	4	2.25	2.51
Financial assets			
- Investments	5	11,123.42	11,123.05
- Loans	13	4,140.57	-
- Other financial assets	6	93.58	112.65
Other non-current assets	8	333.31	314.36
Total non-current assets		34,648.28	29,831.79
Current assets			
Inventories	9	111.29	93.93
Financial assets			
- Loans	13	-	-
- Trade receivables	10	260.86	240.36
- Cash and cash equivalents	11	125.49	150.72
- Bank balances other than cash and cash equivalents	12	10.34	292.76
- Other financial assets	6	47.25	23.09
Current tax assets (net)	7	155.12	61.41
Other current assets	8	205.75	121.40
Total current assets		916.10	983.67
TOTAL ASSETS		35,564.38	30,815.46
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,110.23	1,110.23
Other equity			
-Equity component of compound financial instruments	15 (a)	14,182.72	9,969.96
-Reserves and surplus	15 (b)	5,708.55	5,353.41
Total equity		21,001.50	16,433.60
Liabilities			
Non-current liabilities			
Financial liabilities			
-Borrowings	16	13,043.82	10,925.02
-Other financial liabilities	18	1.14	1.15
Deferred tax liabilities (net)	20	-	-
Provisions	21	27.05	19.75
Total non-current liabilities		13,072.01	10,945.92
Current liabilities			
Financial liabilities			
-Borrowings	16	816.17	2,955.21
-Trade payables	17		
(a) Total outstanding dues of micro and small enterprises		50.71	14.65
(b) Total outstanding dues other than (a) above		329.65	219.30
-Other financial liabilities	18	82.20	70.34
Other current liabilities	19	190.59	171.42
Provisions	21	21.55	5.02
Total current liabilities		1,490.87	3,435.94
Total liabilities		14,562.88	14,381.86
TOTAL EQUITY AND LIABILITIES		35,564.38	30,815.46

Material accounting policies 2

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

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

Tarun Kanhayalal Kinger

Digitally signed by Tarun Kanhayalal Kinger
Date: 2026.04.28 18:35:31 +05'30'

Tarun Kinger
Partner
Membership Number:105003
Place: Mumbai
Date: April 28, 2026

For and on behalf of the board of directors of Schloss Chanakya Private Limited
CIN: U55100DL2019PTC347362

ANUPAM DASGUPTA
A

Digitally signed by ANUPAM DASGUPTA
Date: 2026.04.28 18:01:17 +05'30'

Anupam Dasgupta
Whole Time Director
DIN: 09497530
Place: New Delhi
Date: April 28, 2026

SOUGATA KUNDU

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Date: 2026.04.28 18:16:51 +05'30'

Sougata Kundu
Director
DIN: 07091941
Place: Mumbai
Date: April 28, 2026

CHIRANJEEV SHARMA

Digitally signed by CHIRANJEEV SHARMA
Date: 2026.04.28 17:48:06 +05'30'

Chiranjeev Sharma
Chief Financial Officer
Place: New Delhi
Date: April 28, 2026

ANUJA OMPRAKASH DUBE SH DUBE

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Date: 2026.04.28 18:17:29 +05'30'

Anuja Dube
Company Secretary
MN: ACS 44198
Place: Mumbai
Date: April 28, 2026

Schloss Chanakya Private Limited
Statement of Profit and Loss for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	22	3,613.06	3,178.56
Other income	23	544.01	119.24
Total income		4,157.07	3,297.80
Expenses			
Cost of food and beverages consumed	24	260.63	251.49
Employee benefits expense	25	587.17	511.80
Finance costs	26	1,524.36	1,434.61
Depreciation and amortisation expenses	27	208.26	191.35
Other expenses	28	1,208.74	1,122.10
Total expenses		3,789.16	3,511.35
Profit/(Loss) before exceptional items and tax		367.91	(213.55)
Exceptional items	43	16.21	-
Profit/(Loss) after exceptional items and before tax		351.70	(213.55)
Income tax expense			
-Current tax	29	-	-
-Deferred tax	29	-	-
Total tax expense		-	-
Profit/(loss) for the year		351.70	(213.55)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit plans		3.44	(1.96)
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year, net of tax		3.44	(1.96)
Total comprehensive income / (loss) for the year		355.14	(215.51)
Earnings per share attributable to owners:	38		
Basic earnings per share (Face value of Rs.10)		3.17	(1.92)
Diluted earnings per share (Face value of Rs.10)		2.06	(1.92)
Material accounting policies	2		

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

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

Tarun Kanhayalal Kinger

Digitally signed by Tarun
Kanhayalal Kinger
Date: 2026.04.28 18:36:00
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Tarun Kinger
Partner
Membership Number:105003
Place: Mumbai
Date: April 28, 2026

**For and on behalf of the board of directors of
Schloss Chanakya Private Limited**
CIN: U55209DL2019PLC347492

ANUPAM
DASGUPTA
A

Digitally signed
by ANUPAM
DASGUPTA
Date: 2026.04.28
18:01:56 +05'30'

Anupam Dasgupta
Whole Time Director
DIN: 09497530
Place: New Delhi
Date: April 28, 2026

SOUGATA
A KUNDU

Digitally signed
by SOUGATA
KUNDU
Date: 2026.04.28
18:18:13 +05'30'

Sougata Kundu
Director
DIN: 07091941
Place: Mumbai
Date: April 28, 2026

CHIRAN
JEEV
SHARMA
A

Digitally signed
by CHIRANJEEV
SHARMA
Date:
2026.04.28
17:48:37
+05'30'

Chiranjeev Sharma
Chief Financial Officer
Place: New Delhi
Date: April 28, 2026

ANUJA
OMPRAKASH
SH DUBE

Digitally signed by
ANUJA
OMPRAKASH DUBE
Date: 2026.04.28
18:18:32 +05'30'

Anuja Dube
Company Secretary
MN: ACS 44198
Place: Mumbai
Date: April 28, 2026

Schloss Chanakya Private Limited
Statement of cash flows for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Cash flows from operating activities		
Profit/(loss) before tax for the year	351.70	(213.55)
Adjustments for:		
Depreciation and amortisation	208.26	191.35
Finance costs	1,524.36	1,434.61
Net (gain)/loss on disposal of property, plant and equipment	5.28	-
Net impairment losses/(reversal) on financial assets	(2.32)	(5.98)
Net unrealised foreign exchange differences	(1.17)	(1.27)
Interest income on Fixed Deposits	(24.49)	(25.72)
Interest income on Intercompany Deposit	(471.04)	(42.65)
Interest income on CCDs	(52.50)	-
Exceptional items	16.21	-
Liabilities no longer required written back	-	(40.52)
Unwinding of discount on security deposits	(0.09)	(0.00)
Operating cash flows before working capital changes	1,554.20	1,296.27
Working capital movements:		
(Increase) in inventories	(17.36)	(11.85)
(Increase) in trade receivables	(18.18)	(139.95)
Increase/(decrease) in other financial assets	22.37	(0.09)
(Increase) in other current assets	(84.35)	(1.51)
Increase/(Decrease) in other non-current assets	2.26	(18.61)
Increase/(Decrease) in trade payables	147.32	(117.29)
Increase/(Decrease) in other current liabilities	19.17	(54.70)
(Decrease) in other financial liabilities	(27.97)	(12.42)
Increase in provisions	11.06	3.75
Cash generated from operations	1,608.52	943.58
Income taxes (paid), net	(93.71)	(11.85)
Net cash flows generated/(used) from operating activities (A)	1,514.81	931.73
Cash flows from investing activities		
Payments for purchase of property, plant and equipment and Capital work in Progress	(880.38)	(195.23)
Payments for purchase of intangibles	(0.43)	-
Proceeds from sale of property, plant and equipment	9.88	-
Payment of acquisition of Subsidiaries, net of cash acquired	-	(11,123.05)
Bank Deposit placed	(2,948.74)	-
Bank Deposit matured	3,230.03	125.13
Interest received from related parties	446.49	39.51
Interest on Fixed deposit	45.49	-
Intercompany deposits given to related parties	(4,864.65)	(95.01)
Repayment of intercompany deposit by related parties	748.93	1,300.00
Interest received on intercompany deposit from related parties	-	136.19
Investments in joint venture	(0.37)	-
Net cash flows used in investing activities (B)	(4,213.74)	(9,812.44)
Cash flows from financing activities		
Proceeds from borrowings	1,533.23	132.90
Proceeds of borrowings from Related Parties	5,820.00	(421.00)
Repayments of borrowings	(6,067.51)	(1,324.82)
Repayments of borrowings to Related Parties	(1,959.36)	2,306.72
Interest paid on inter corporate deposits	(773.56)	(66.84)
Proceeds from compulsorily convertible preference shares	4,700.00	11,123.05
Interest Paid to others	(568.25)	(984.68)
Processing fees on borrowing	(10.86)	-
Finance cost paid on CCD conversion	-	(1,786.23)
Net cash flows generated/(used) from financing activities (C)	2,673.70	8,979.10
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(25.23)	98.39
Cash and cash equivalents as at beginning of the year	150.72	52.33
Cash and cash equivalents at the end of the year (refer note 11)	125.49	150.72
Reconciliation of cash and cash equivalents as per the statement of cash flows:		
Cash and cash equivalents comprise of the following:		
Cash on hand	1.36	1.90
Balance with banks		
-in current account	124.13	148.82
Total cash and cash equivalents as at year end	125.49	150.72

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7, 'Statement of Cashflow' notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Indian Accounting Standards) Rules, 2021.

Material accounting policies

2

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Tarun Kanhayalal Kinger Digitally signed by Tarun Kanhayalal Kinger
Date: 2026.04.28 18:36:49 +05'30'

Tarun Kinger

Partner

Membership Number:105003

Place: Mumbai

Date: April 28, 2026

For and on behalf of the board of directors of

Schloss Chanakya Private Limited

CIN: U55100DL2019PTC347362

ANUPAM DASGUPTA Digitally signed by ANUPAM DASGUPTA
Date: 2026.04.28 18:02:12 +05'30'

Anupam Dasgupta

Whole Time Director

DIN: 09497530

Place: New Delhi

Date: April 28, 2026

SOUGATA KUNDU Digitally signed by SOUGATA KUNDU
Date: 2026.04.28 18:19:14 +05'30'

Sougata Kundu

Director

DIN: 07091941

Place: Mumbai

Date: April 28, 2026

CHIRANJEEV SHARMA Digitally signed by CHIRANJEEV SHARMA
Date: 2026.04.28 17:48:56 +05'30'

Chiranjeev Sharma

Chief Financial Officer

Place: New Delhi

Date: April 28, 2026

ANUJA OMPRAKASH DUBE Digitally signed by ANUJA OMPRAKASH DUBE
Date: 2026.04.28 18:18:54 +05'30'

Anuja Dube

Company Secretary

MN: ACS 44198

Place: Mumbai

Date: April 28, 2026

Schloss Chanakya Private Limited
Statement of changes in equity for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at April 01, 2024	574.23
Changes in equity share capital	536.00
Balance as at March 31, 2025	1,110.23
Changes in equity share capital	-
Balance as at March 31, 2026	1,110.23

B. Other equity

Particulars	Equity component of compound financial instruments	Reserves and surplus			
		Securities premium	Retained earnings	Other Equity	Total
Balance as at April 01, 2024	1,160.25	5,033.72	(3,362.03)	-	1,671.69
(Loss) for the year	-	-	(213.55)	-	(213.55)
Other comprehensive (loss) for the year, net of tax	-	-	(1.96)	-	(1.96)
Total	1,160.25	5,033.72	(3,577.55)	-	1,456.17
On conversion of compound financial instruments	-	4,824.00	-	-	4,824.00
Extinguishment of compound financial instruments	(1,160.25)	-	-	-	-
Residual value at inception of CCPS	9,969.96	-	-	-	-
Loss on account of settlement of Compound financial instruments	-	-	-	(926.76)	(926.76)
Balance as at March 31, 2025	9,969.96	9,857.72	(3,577.55)	(926.76)	5,353.41
Balance as at April 01, 2025	9,969.96	9,857.72	(3,577.55)	(926.76)	5,353.41
Profit for the year	-	-	351.70	-	351.70
Other comprehensive Income for the year, net of tax	-	-	3.44	-	3.44
Total	9,969.96	9,857.72	(3,222.41)	(926.76)	5,708.55
Residual value at inception of CCPS	4,212.76	-	-	-	-
Balance as at March 31, 2026	14,182.72	9,857.72	(3,222.41)	(926.76)	5,708.55

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

As per our report of even date attached

For B S R & Co. LLP

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

Tarun Kanhayalal Kinger

Digitally signed by Tarun Kanhayalal Kinger
Date: 2026.04.28 18:37:13 +05'30'

Tarun Kinger

Partner
Membership Number:105003

Place: Mumbai
Date: April 28, 2026

For and on behalf of the board of directors of Schloss Chanakya Private Limited

CIN: U55209DL2019PLC347492

ANUPAM DASGUPTA
Digitally signed by ANUPAM DASGUPTA
Date: 2026.04.28 18:02:28 +05'30'

Anupam Dasgupta
Whole Time Director
DIN: 09497530

Place: New Delhi
Date: April 28, 2026

SOUGATA KUNDU
Digitally signed by SOUGATA KUNDU
Date: 2026.04.28 18:19:36 +05'30'

Sougata Kundu
Director
DIN: 07091941

Place: Mumbai
Date: April 28, 2026

CHIRANJEEV SHARMA
Digitally signed by CHIRANJEEV SHARMA
Date: 2026.04.28 17:49:14 +05'30'

Chiranjeev Sharma
Chief Financial Officer

Place: New Delhi
Date: April 28, 2026

ANUJA OMPRAKASH DUBE
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Date: 2026.04.28 18:19:59 +05'30'

Anuja Dube
Company Secretary
MN: ACS 44198

Place: Mumbai
Date: April 28, 2026

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

1 Company information

Schloss Chanakya Private Limited ("the Company") an Indian subsidiary of BSREP III India Ballet I Pte. Ltd., holding company, was incorporated on 18 March 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October 2019 by acquiring Delhi hotel undertaking of HLV Limited. The Company is in the hospitality industry and operates hotel under the brand name of "THE LEELA". Pursuant to respective share purchase agreements entered on May 31, 2024, the equity shares of the company were acquired by Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore 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 of amounts :

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

2.1 Statement of compliance

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

2.2 Critical accounting estimates and judgements

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

- Useful lives of property, plant and equipment 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 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 3 for further details. Goodwill is tested for impairment annually.

- Income Taxes:

Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss. Refer Note 29 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 34 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 30 for further details.

- Contingent liabilities:

The management evaluates possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The estimates of outcome and financial effect are determined by the judgement of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. Refer note 34 for further details.

- Fair Value Measurement of Derivative and other 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 31 for further details.

2.3 Going Concern

The Company has incurred a profit of Rs. 355.44 millions during the year ended 31 March 2026 (31 March 2025: 213.55), has accumulated losses of Rs. 3,222.41 millions and positive net worth of Rs. 21,001.50 millions at 31 March 2026 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 574.77 millions.

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

2.4 Current / Non-current

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 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.

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 Basis of Preparation (Continued)
Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following-

- (a) certain financial assets and liabilities (including derivative instruments) and contingent consideration is measured at fair value
- (b) defined benefit plans - plan assets measured at fair value

The financial statements are approved for issue by the Company's board of directors on 18 June 2024.

2.6 Material Accounting

a) 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 offered by the company as a part of contract.

Income from operations-

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

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

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

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

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

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

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

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

b) Employee benefits:

Short term employment 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.

Defined contribution plans:

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

Defined benefit plans

(Post-employment benefit)

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

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

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

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

Past service cost represents the change in the present value of defined benefit obligations resulting from plan amendments or curtailments, including those arising on account of changes in applicable labour laws and regulations (such as the implementation of new labour codes).

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 but also during service period as per category of employees and policy of the Company. 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.

c) 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 and in case of qualifying asset borrowing cost is capitalised.

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

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

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

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

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

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

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

d) Intangible assets

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

Class of Asset	Estimated Useful Life
Computer Software	6 years

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

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

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

e) Leases

i. As a lessee

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

Right of use assets

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

Lease Liabilities

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

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

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

Variable lease

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

Short-Term Leases and Leases of Low-Value Assets

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

ii. As a lessor

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

iii. Classification of lease

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

f) Impairment of assets

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

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

g) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is Indian Rupee.

(ii) Transactions and balances

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

(iii) Subsequent measurement

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

h) Inventories

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

i) Taxation

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

Current Tax

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

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

Deferred Tax

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

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

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

j) 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.

k) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

l) Earnings per Share

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

m) Financial instruments

(i) Classification

The company classifies its financial assets in the following measurement categories

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

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

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

(ii) Recognition

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

(iii) Measurement

At initial recognition, the company measures a financial asset at its fair value (trade receivable 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.

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

-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's 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 other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

-Equity

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.

Trade and other receivables

A trade receivable without a significant financing component is initially measured at the transaction price Ind AS 115 revenue from contract with customers.

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.

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, 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.

Classification & measurement of financial liabilities**Trade and other payables**

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

Borrowings

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

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

Covenants that the company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the company is required to comply with after the reporting period do not affect the classification.

Derecognition of financial liabilities

IND as 109 requires an entity to determine whether the present value of the new cash flows under the new terms is at least 10% different from the present value of the remaining cash flows of the original liability, using the original effective interest rate. If the difference is 10% or greater, the existing liability is de-recognised and a new financial liability is recognised.

An entity has an accounting policy choice: either it can apply only the quantitative 10% test (described above); or, if the 10% test is passed, it could choose to also perform a qualitative assessment for de-recognition. If the 10% test is failed, however, the existing liability is de-recognised, regardless of whether the entity's policy is to also perform a qualitative analysis.

The chosen accounting policy should be applied consistently and disclosed.

Qualitative analysis

Determining whether the terms are substantially different, from a qualitative perspective, is judgemental and will depend on the specific facts and circumstances of each case.

Changes to the terms of the liability might be significant, on a qualitative basis, if they significantly affect the economic risks of the liability. Alternatively, the substance of the modification might be that the existing liability is prepaid/settled and a new liability has been issued.

Qualitative factors include, but are not limited to, the following:

A change in the currency in which the liability is denominated.

A change in the interest basis (such as a change from fixed rate to floating rate, or vice versa).

A change in any conversion features in the instrument.

A substantial change in covenants.

The liability was prepayable at par, with no significant penalty at the date of the renegotiation, which results in the renegotiated rate approximating the current market rate of interest for the new terms and conditions.

The liability was close to its maturity date at the date of the renegotiation and was extended for a significant additional period, which results in the renegotiated rate approximating the current market rate of interest for the new terms and conditions (including the new maturity date).

Derecognition of financial asset & financial liabilities

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

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

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

Gain or loss on derecognition

Gain or loss on derecognition of a financial asset or liability measured at amortised cost is recognized in the statement of comprehensive income 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 debt instruments 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.

Schloss Chanakya Private Limited

Notes to financial statements for the year ended March 31, 2026

(All amounts are in Rupees in millions except otherwise stated)

n) Cash flow statement

Cash flows are reported using indirect method, as per Ind AS 7 statement of cash flows 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.

o) Cash and cash equivalents

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

p) Recent pronouncements

The Ministry of Corporate Affairs vide notification dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2025

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the group changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the company has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the company is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of Schloss Chanakya Private Limited's borrowings. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company does not expect material impact of these amendments in its financial statements.

International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

Schloss Chanakya Private Limited is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the company operates.

Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. These amendments did not have any material impact on the amounts recognised in current periods and are not expected to significantly affect the future periods.

q) Recent Indian Accounting Standards (Ind AS) issued not yet effective

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

Schloss Chanakya Private Limited does not expect this amendment to have an impact on its operations or financial statements

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026

(All amounts are in Rupees in millions except otherwise stated)

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

Particulars	Building	Freehold land	Plant and machinery	Furniture and fixtures	Office equipment	Computers and data processing units	Vehicles	Total	Capital work-in-progress
Gross carrying amount									
As at April 01, 2024	3,531.82	14,108.99	987.53	91.56	0.34	31.86	67.45	18,819.55	19.40
Additions	22.16	-	71.80	7.88	-	3.72	-	105.56	80.23
Disposals/transfers	-	-	-	-	-	-	-	-	(13.72)
Closing gross carrying amount as at March 31, 2025	3,553.98	14,108.99	1,059.33	99.44	0.34	35.58	67.45	18,925.11	85.91
Accumulated depreciation									
As at April 01, 2024	306.15	-	614.16	87.68	0.32	14.83	45.58	1,068.73	-
Charge for the year	68.84	-	103.53	1.51	-	5.51	11.24	190.64	-
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2025	374.99	-	717.69	89.19	0.32	20.34	56.82	1,259.37	-
Net carrying amount as at March 31, 2025	3,178.99	14,108.99	341.64	10.25	0.03	15.24	10.63	17,665.74	85.91
Gross carrying amount									
As at April 01, 2025	3,553.98	14,108.99	1,059.33	99.44	0.34	35.58	67.45	18,925.11	85.91
Additions	158.08	-	240.29	46.01	-	11.20	35.62	491.20	850.87
Disposals/transfers	(11.03)	-	(87.43)	(9.19)	-	(1.43)	-	(109.08)	(443.41)
Closing gross carrying amount as at March 31, 2026	3,701.03	14,108.99	1,212.19	136.26	0.34	45.35	103.07	19,307.23	493.37
Accumulated depreciation									
As at April 01, 2025	374.99	-	717.69	89.19	0.34	20.34	56.82	1,259.37	-
Charge for the year	71.13	-	108.68	5.13	-	7.43	15.20	207.57	-
Disposals	(1.29)	-	(82.01)	(9.19)	-	(1.43)	-	(93.92)	-
Closing accumulated depreciation as at March 31, 2026	444.83	-	744.36	85.13	0.34	26.34	72.02	1,373.02	-
Net carrying amount as at March 31, 2026	3,256.20	14,108.99	467.83	51.13	-	19.01	31.05	17,934.21	493.37

I) Property, plant and equipment

(i) Property Plant and Equipment pledged as Security: Refer to Note 16 for information on property, plant and equipment pledged as security by the Company.

(ii) Contractual Obligations: Refer to note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment

(iii) The title deeds of immovable properties including property, plant and equipment are held in the name of the Company.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

II) Capital work in progress
Capital work-in-progress mainly comprises of plant and machinery and renovations of hotel property.
There are no projects as on 31 March 2026 where the project timelines are overdue and where the costs have exceeded the original plan approved by the Board of Directors

Ageing of Capital Work in progress

		Amount in Capital work in progress for a period of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress		446.87	46.50	-	-	493.37
Projects temporarily suspended		-	-	-	-	-

		Amount in Capital work in progress for a period of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress		71.30	14.61	-	-	85.91
Projects temporarily suspended		-	-	-	-	-

4 Other Intangible assets and goodwill

Particulars	Computer software	Total	Goodwill
Gross carrying amount			
As at April 01, 2024	4.77	4.77	527.57
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount as at March 31, 2025	4.77	4.77	527.57
Accumulated amortisation			
As at April 01, 2024	1.54	1.54	-
Charge for the year	0.72	0.72	-
Disposals	-	-	-
Closing accumulated depreciation as at March 31, 2025	2.26	2.26	-
Net carrying amount as at March 31, 2025	2.51	2.51	527.57
Gross carrying amount			
As at April 01, 2025	4.77	4.77	527.57
Additions	0.43	0.43	-
Disposals	-	-	-
Closing gross carrying amount as at March 31, 2026	5.20	5.20	527.57
Accumulated amortisation			
As at April 01, 2025	2.26	2.26	-
Charge for the year	0.69	0.69	-
Disposal	-	-	-
Closing accumulated depreciation as at March 31, 2026	2.95	2.95	-
Net carrying amount as at March 31, 2026	2.25	2.25	527.57

Goodwill

(i) Goodwill was pledged as Security in the previous year: Refer to Note 16 for information on goodwill pledged as security by the Company.

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 purpose. 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. 527.57 millions (31 March 2025: Rs.527.57 millions) The estimated value-in-use of this CGU is based on the future cash flows using a 5% annual growth rate (March 31 2025: 5% p.a) for year subsequent to the forecast period of 5 years and a discount rate of 12.5% p.a.(March 31 2025: 12.5% 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 as on 31 March 2026 did not result in any impairment of goodwill.

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

5 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in subsidiaries (unquoted) (measured at cost)		
79,57,142 Equity shares of Rs. 10 each fully in Schloss Udaipur Private Limited	4,139.86	4,139.86
1,25,75,000 Equity shares of Rs. 10 each fully in Tulsi Palace and Resort Private Limited	6,483.04	6,483.04
Investment in subsidiaries (unquoted) (measured at amortised Cost)		
5,00,0000 Compulsory Convertible Debentures of Rs.100 each	500.14	500.14
Investment in Joint Venture of Holding company (measured at cost)		
1,353 Equity shares of Rs.10 each fully in Leela BKC Holdings Private Limited	0.14	-
2,400 NCD's of Rs.100 each fully in Leela BKC Holdings Private Limited	0.24	-
	11,123.42	11,123.05
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	11,123.42	11,123.05
Aggregate amount of impairment in the value of investments	-	-

The fair value of investments approximates their carrying values.

6 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
<u>Non-current</u>		
Fixed deposit with remaining maturity of more than 12 months	-	22.99
Margin money deposits with remaining maturity of more than 12 months (refer note (i))	84.13	81.02
Security deposits	9.45	8.64
Total	93.58	112.65
(i) Out of total margin money deposits, bank deposit amounting to Rs. 83.59 millions (31 March 2025:Rs.81.02 millions) represents bank deposits made with bank which is given as a guarantee to Ministry of Environment and Forests (MOEF) for the liability incurred towards environmental clearance and Rs.0.54 millions against credit exposure . (Refer Note 40)		
<u>Current</u>		
Security deposits	-	0.63
Interest accrued on Compulsory convertible debentures (Refer note 5)	47.25	-
Others	-	22.46
Total	47.25	23.09

7 Tax assets (net)

Current tax assets (net)		
Particulars	As at March 31, 2026	As at March 31, 2025
Advance tax and tax deducted at source (net of provision of tax)	155.12	61.41
Current tax assets (net)	155.12	61.41

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

8 Other assets

Particulars	As at March 31, 2026	As at March 31, 2025
<u>Non-current</u>		
Capital advances	68.32	47.11
Prepaid expenses	3.42	5.90
Lease equalisation reserve	0.38	0.16
Deposits with governmental authorities*	261.19	261.19
Total	333.31	314.36

Notes

*Balance with government authorities to the extent of Rs. 260.34 millions (March 31, 2025: Rs.260.34 millions) represents advance given to New Delhi Municipal Council (NDMC) for Floor Area Ratio (FAR) and Zonal Average Auction Rate (ZAAR) matter which is ongoing before the court.(Refer note 40)

Current

Balances with government authorities

- With GST authorities	139.03	76.31
Advance to employees	0.60	0.09
Advance to suppliers	13.24	9.72
Prepaid expenses	52.88	35.28
Total	205.75	121.40

9 Inventories (Valued at cost or NRV whichever is lower)

Particulars	As at March 31, 2026	As at March 31, 2025
Food and beverages	93.63	75.16
Stores and operating supplies	17.66	18.77
Total	111.29	93.93

The amount of Inventories is pledged as security against the Company's borrowings (Refer Note 16)

10 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers – billed	242.79	185.86
Trade receivables from contract with customers – unbilled^	33.08	18.36
Trade receivables from contract with customers – related parties (Refer note 42)	0.14	53.61
Less: Loss allowance	(15.15)	(17.47)
Total	260.86	240.36
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	260.85	240.07
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	15.16	17.47
Total	276.01	257.54
Less: Loss allowance	(15.15)	(17.47)
Total	260.86	240.07

(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 39.

(iii) For related party balances refer Note 39.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

Trade Receivables Ageing

Ageing of trade receivables as at March 31, 2026

	Outstanding for following periods from the due date							Total
	Unbilled	Not due	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More Than 3 years	
Undisputed trade receivables								
considered good	33.08	-	227.78	-	-	-	-	260.86
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	3.00	2.04	1.53	8.58	-	15.15
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	33.08	-	230.78	2.04	1.53	8.58	-	276.01
Less: Loss allowance	-	-	(3.00)	(2.04)	(1.53)	(8.58)	-	(15.15)
Net	33.08	-	227.78	-	-	-	-	260.86

Ageing of trade receivables as at March 31, 2025

	Outstanding for following periods from the due date							Total
	Unbilled	Not due	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More Than 3 years	
Undisputed trade receivables								
considered good	18.36	-	221.50	0.50	-	-	-	240.36
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	5.09	1.28	11.01	0.09	-	17.47
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	18.36	-	226.59	1.78	11.01	0.09	-	257.83
Less: Loss allowance	-	-	(5.09)	(1.28)	(11.01)	(0.09)	-	(17.47)
Net	18.36	-	221.50	0.50	-	-	-	240.36

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

11 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
in current accounts	124.13	148.82
Cash on hand	1.36	1.90
Total	125.49	150.72

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

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed deposits with banks with original maturity more than three months but less than twelve months*	10.34	292.76
Total	10.34	292.76

*Bank Deposits amounting to Rs. 9.64 millions (31 March 2025 :Rs.9.64 millions) has been made against Letter of Credit availed during the current year.

*Bank deposit of Nil (31 March 2025:Rs.283.12 millions) is restricted against the borrowings availed by the Company.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

13 Loans

Particulars	As at March 31, 2026	As at March 31, 2025
<u>Non Current</u>		
Unsecured considered good, unless otherwise stated:		
Inter Corporate Deposit (ICD) [refer note 39]*	4,140.57	-
	4,140.57	-

*Inter corporate deposit (ICD) to related party: Inter corporate deposit has been given to Tulsi Palace Resorts Private Limited and Schloss Udaipur Private Limited. The ICD carries interest rate of 10.75 % (Interest rate was 12.50% upto Jan 16.2026) p.a is payable in ten years.

Break-up of security details

	As at March 31, 2026	As at March 31, 2025
Loans considered good- secured	-	-
Loans considered good- unsecured	4,140.57	-
Total loans	4140.57	-

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

	As at March 31, 2026	As at March 31, 2025
(a) Repayable on demand		
Related parties*		
(b) Repayable in ten years		
Related parties*	4140.57	-
Total loans	4,140.57	-
% to the total loans outstanding	100%	-

14 Share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
2,065,500,000 (31 March 2025: 2,065,500,000) equity shares of Rs.10 each	20,655.00	20,655.00
200,000,000 (31 March 2025: 200,000,000) preference shares of Rs. 100 each	20,000.00	20,000.00
Issued, subscribed and paid up		
111,023,076 (31 March 2025:111,023,076) equity shares of Rs.10 each, fully paid up	1,110.23	1,110.23
Total	1,110.23	1,110.23

(i) Movements in share capital

Issued, subscribed and paid up

Particulars	No. of shares	Amounts
Equity		
As at April 01, 2024	5,74,23,076	574.23
Shares issued during the year	5,36,00,000	536.00
As at March 31, 2025	11,10,23,076	1,110.23
As at April 01, 2025	11,10,23,076	1,110.23
Shares issued during the year	-	-
As at March 31, 2026	11,10,23,076	1,110.23

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) Shares of the company held by holding company

Particulars	As at March 31, 2026	As at March 31, 2025
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	11,10,23,070	11,10,23,070

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

As at March 31, 2026

Particulars	Number of shares	Percentage of total number of shares
Equity Shares		
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	11,10,23,070	99.99%

As at March 31, 2025

Particulars	Number of shares	Percentage of total number of shares
Equity Shares		
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	11,10,23,070	99.99%

(iv) Details of shareholding of promoters:

As at March 31, 2026

Name of the promoter and promoter group	Number of shares	Percentage of total number of shares	Percentage of change during the year
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	11,10,23,070	99.99%	0.00%
Schloss HMA Private Limited (nominee shareholder)	1	0.00%	0.00%
Schloss Chennai Private Limited (nominee shareholder)	1	0.00%	0.00%
Leela Agra Resort Limited(Formerly know as" Leela Palaces and Resorts Limited") (nominee shareholder)	1	0.00%	0.00%
Schloss Tadoba Private Limited (nominee shareholder)	1	0.00%	0.00%
Schloss Gandhinagar Private Limited (nominee shareholder)	1	0.00%	0.00%
Schloss Udaipur Private Limited (nominee shareholder)	1	0.00%	0.00%
	11,10,23,076	100.00%	

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

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
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	11,10,23,070	99.99%	100.00%
Schloss HMA Private Limited (nominee shareholder)	1	0.00%	0.00%
Schloss Chennai Private Limited (nominee shareholder)	1	0.00%	0.00%
Leela Agra Resort Limited (Formerly known as "Leela Palaces and Resorts Limited") (nominee shareholder)	1	0.00%	0.00%
Schloss Tadoba Private Limited (nominee shareholder)	1	0.00%	0.00%
Schloss Gandhinagar Private Limited (nominee shareholder)	1	0.00%	0.00%
Schloss Udaipur Private Limited (nominee shareholder)	1	0.00%	0.00%
	11,10,23,076	100.00%	

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

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

(vi) Terms of Compulsorily convertible preference shares

The Company has issued 158,230,469 CCPS of Rs.100 each to its holding company. These CCPS are non-redeemable, fully convertible participating preference shares. CCPS carry a preferential dividend of 12% per annum, payable at the discretion of the Company's board of directors.

The CCPS must be converted at maturity (after 20 years) or any date mutually agreed between the CCPS holder. The conversion will take place at fair value on the conversion date. The fair value will be calculated by an appointed valuer. In all scenarios, both the holder and the Company have the option to convert the CCPS into equity shares at the fair value on the conversion date.

15 (a) Equity component of compound financial instruments

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	9,969.96	1,160.25
Residual value at inception of CCPS	4,212.76	9,969.96
Converted to Equity shares during the year	-	(1,160.25)
Closing balance	14,182.72	9,969.96

15 (b) Reserves and surplus

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium	9,857.72	9,857.72
Retained earnings	(3,222.41)	(3,577.55)
Other equity	(926.76)	(926.76)
Total	5,708.55	5,353.41

15 (b) (i) Securities Premium

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	9,857.72	5,033.72
On conversion of conversion of CCD	-	4,824.00
Closing balance	9,857.72	9,857.72

15 (b) (ii) Retained earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	(3,577.55)	(3,362.03)
Profit /(Loss) for the year	351.70	(213.55)
Other comprehensive income /(loss) for the year, net of tax	3.44	(1.96)
Closing balance	(3,222.41)	(3,577.55)

15 (b) (iii) Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	(926.76)	-
Loss on account of conversion of CCD	-	(926.76)
Closing balance	(926.76)	(926.76)

Nature and purpose of reserves:**Equity component of compound financial instrument**

This represents the equity portion of compulsory convertible debentures and compulsory convertible preference shares issued to holding company. (Refer Note 16)

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.

Retained earnings

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

Other equity

This reserve represents loss recorded on transactions with shareholders on conversion of compulsory convertible debentures under share purchase agreement to acquire subsidiaries under common control.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

16 Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Secured		
Term Loans:		
- From banks		
Rupee term loan [refer note A.1, A.2, A.3, A.7, A.8]	5,267.38	9,053.62
Less: Current maturities of long-term borrowings (included in current borrowings)	(193.30)	(254.43)
Total	5,074.08	8,799.19
Other Loans		
Working capital term loan [refer note A.4 and A.9]	875.34	1,376.93
Less: Current maturities of long-term borrowings (included in current borrowings)	(500.63)	(502.09)
Total	374.71	874.84
Unsecured		
Liability component of Compulsory Convertible Preference Shares (CCPS) [refer note A.5]	1,925.10	1,250.99
Inter corporate deposit from related party [refer note A.6]	5,669.93	
Total	7,595.03	1,250.99
Total	13,043.82	10,925.02
Current		
Secured		
Working capital loan [refer note A.10]	-	237.12
Current maturities of long-term borrowings	693.93	756.51
Unsecured		
Inter corporate deposit from related party [refer note A.6]	122.24	1,961.58
Total	816.17	2,955.21

Notes:

As at 31-Mar-26:

A. 1 New Term Loan I - Refinancing of existing term loans and corporate term loans

The lender, during the year, has refinanced existing term loan and corporate term loan, under a Term Loan Agreement dated December 31, 2025. The aggregate loans refinanced amounts to Rs. 3,967.05 millions. The door to door tenure of the term loan is 15 years, without moratorium. The loan is repayable in structured quarterly repayments beginning from March 31, 2026. The loan carries interest rate linked to lender's 3 months marginal cost of funds based lending rate ("MCLR"), subject to monthly interest rests. The Company has an outstanding loan balance of Rs. 3,944.17 millions (March 31, 2025: NA), undrawn facility of Rs. Nil millions (March 31, 2025 : NA) and rate of interest as on March 31, 2026 is 8.25% p.a.(March 31, 2025: N.A.).

a) Primary security:

As a part of the overall security package, following securities are offered:

- All present and future current assets of Schloss Udaipur Private Limited (Udaipur Hotel), Schloss Chennai Private Limited (Chennai Hotel), Tulsi Palace Resort Private Limited (Jaipur) and Schloss Chanakya Private Limited (Chanakya/Delhi Hotel).
- All present and future immovable assets of Schloss Udaipur Private Limited (Udaipur Hotel), Schloss Chennai Private Limited (Chennai Hotel) and Tulsi Palace Resort Private Limited (Jaipur). Negative lien on moveable and immovable assets of Schloss Chanakya Private Limited (Chanakya/Delhi Hotel).
- All movable assets of Schloss Udaipur Private Limited (Udaipur Hotel), Schloss Chennai Private Limited (Chennai Hotel) and Tulsi Palace Resort Private Limited (Jaipur) including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, etc. and all current assets, both present and future relating to the Company (Udaipur Hotel), Schloss Chennai Private Limited (Chennai Hotel) and Tulsi Palace Resort Private Limited (Jaipur).
- Exclusive charge over, all bank accounts including DSRA, TRA / escrow / designated account of Schloss Udaipur Private Limited (Udaipur Hotel), Schloss Chennai Private Limited (Chennai Hotel), Tulsi Palace Resort Private Limited (Jaipur Hotel) and Schloss Chanakya Private Limited (Chanakya/Delhi Hotel).

Loan covenants: Under the terms of the borrowing facilities, the following covenants are required to be maintained:

Loan to Value Ratio: Maximum 75%,

Fixed Assets Coverage Ratio: Minimum 1.25,

Debt Service Coverage Ratio: Minimum 1.15.

b)

The Company has met all the loan covenants during the year.

c)

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

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

A. 2 New Term Loan II - Capital expenditure and general corporate purposes

- a) The lender, during the year, has granted a capex term loan under a Term Loan Agreement dated February 20, 2026 with a sanctioned limit of Rs. 2,750 millions which is fungible across Schloss Udaipur Private Limited, Schloss Chennai Private Limited and Tulsi Palace Resort Private Limited and of Rs. 1,250 millions to Schloss Chanakya Private Limited. The door to door tenure of such refinanced loan is 15 years, with a moratorium on principal repayments of 2 years from the first date of disbursement. Accordingly, the loan is repayable in quarterly repayments beginning from March 31, 2028. The loan carries interest rate linked to lender's 3 months marginal cost of funds based lending rate ("MCLR"), with monthly interest rests. The interest rate benchmark is subject to reset on a quarterly basis. The Company has an outstanding loan balance of Rs. 637.30 millions (March 31, 2025: NA), undrawn facility of Rs. 612.70 millions (March 31, 2025 : NA) and rate of interest as on March 31, 2026 is 8.25% p.a.(March 31, 2025: N.A.).

Loan covenants: Under the terms of the borrowing facilities, all the Company's are required to maintain the following covenants:

Debt-Equity Ratio: 80:20,

Loan to Value Ratio: Maximum 75%,

- b) Fixed Assets Coverage Ratio: Minimum 1.25,
Debt Service Coverage Ratio: Minimum 1.15.

The Company has met all the loan covenants during the year.

- c) The primary charge on assets is the same as mentioned in A.1.a above.
- d) Current maturities of long-term borrowings are classified as short-term borrowings.

A. 3 New Term Loan III - Additional Credit Line Facility

The lender, during the year, has granted a term loan facility under a Term Loan Agreement dated February 20, 2026 to the Company for a total amounting to Rs. 7,066.00 millions. The purpose of this loan is for replacement of inter-corporate debt availed by the Company from Leela Palaces Hotels & Resorts Limited ("formerly known as Schloss Bangalore Limited") (formerly known as Schloss Bangalore Private Limited"). The door to door tenure of the loan is 15 years, without moratorium. The facility will be available

- a) for drawdown for a period of 12 months from the date of first disbursement and hence, the Company will be able to avail the facility till March 2027. The loan is repayable in structured quarterly repayments beginning from March 31, 2026. The loan carries interest rate linked to lender's 3 months marginal cost of funds based lending rate ("MCLR"), with monthly interest rests. The interest rate benchmark is subject to reset on a quarterly basis. The Company has an outstanding loan balance of Rs. 696.68 millions (March 31, 2025: NA), undrawn facility of Rs. 6,369.32 millions (March 31, 2025 : NA) and rate of interest as on March 31, 2026 is 8.25% p.a.(March 31, 2025: N.A.).

- b) Loan covenants: Under the terms of the borrowing facilities, following covenants are required to be maintained:
Loan to Value Ratio: Maximum 75%,
Fixed Assets Coverage Ratio: Minimum 1.25,
Debt Service Coverage Ratio: Minimum 1.15.

The Company has met all the loan covenants during the year.

- c) The primary charge on assets is the same as mentioned in A.1.a above.
- d) Current maturities of long-term borrowings are classified as short-term borrowings.

The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 3.0 (GECL 3.0) facility of Rs. 2,000.00 millions on 9 December, 2021 to the Company to augment net working capital, requirements to meet operational liabilities. The door to door tenure of the loan is 6 years including moratorium of principal of two years. The loan is repayable in 48 monthly structured instalments beginning January 2024. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR") subject to half yearly reset.

A. 4

- a) **Primary security:**
Second charge on securities mentioned in Term loan from Bank above.
- b) Current maturities of long-term borrowings are classified as short term borrowings.

A.5 12% Compulsorily convertible preference shares

- a) The Company has issued CCPS to its holding company. These CCPS are non-redeemable, fully convertible participating preference shares. CCPS carry a preferential dividend of 12% per annum, payable at the discretion of the Company's board of directors.

The CCPS must be converted at maturity (after 20 years) or any date mutually agreed between the CCPS holder . The conversion will take place at fair value on the conversion date. The fair value will be calculated by an appointed valuer. In all scenarios, both the holder and the Company have the option to convert the CCPS into equity shares at the fair value on the conversion date.

A.6 Inter corporate Deposit

The Company's related parties i.e Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") and Schloss Chennai Private Limited have granted unsecured inter corporate deposits to the Company, for a total of Rs. 5,792.17 millions (31 March 2025: Rs. 1961.58 millions). The ICD from Schloss Chennai Private Limited carries interest rate of 12.50 % and repayable on demand. The ICD from Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") carries interest rate of 10.75% (Interest rate was 12.50% upto Jan 16.2026) p.a is payable in ten years.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

As at 31-Mar-25:

A.7 Term loan from bank

The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the Company and other co-borrowers i.e. Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited"), Schloss HMA Private Limited (w.e.f. 29 March 2025) and Leela Agra Resort Limited (Formerly known as "Leela Palaces and Resorts Limited") (w.e.f. 29 March 2025), for a total amounting to Rs. 27,500 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property (Rs. 2,000.00 millions) fully fungible amount amongst each of the three co-borrowers and the Company's hotel property in Delhi. The door to door tenure of the loan is 15 years including moratorium of one year. The loan is repayable in 56 quarterly structured installments beginning 31 December 2020. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to annual reset, plus spread of 0.10%. The Company has available facility of Nil (31 March 2025 Nil) and rate of interest as on 31 March 2026 is Nil (31 March 2025: 9.10% p.a) with monthly rests.

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

(a) Primary security:

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

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

(b) Other security:

- i) Pledge of 30% shares of the Company held by Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited"), Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.
- ii) A guarantee of Schloss HMA Private Limited and Leela Agra Resort Limited (Formerly known as "Leela Palaces and Resorts Limited"), fellow subsidiaries enforceable towards meeting the shortfall in debt service obligations upto 28 March 2025.
- iii) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., intermediate holding company of fellow subsidiary company, situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations from 31 March 2022. The aforesaid corporate guarantee has been released during the current year ended March 31, 2026.

iv) Mortgage on the land situated at Agra owned by Leela Agra Resort Limited (Formerly known as "Leela Palaces and Resorts Limited").

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

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

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

(e) Moratorium on interest:

Company has availed the moratorium facility for interest on term loan from the month of March to August, 2020 which has been further capitalised into term loan w.e.f. 01 October 2020. Accordingly, interest outstanding till 31 August 2020 amounting to Rs.390.26 millions (31 March 2023: Rs. 390.26 millions) has been capitalized in term loan reported above.

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

A.8 Corporate Term Loan:

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

(a) Security:

Refer point A.5.(a) and point A.5.(b) above.

A.9 The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 3.0 (GECL 3.0) facility of Rs.2,000 millions (31 March 2024: Rs.2,000 millions) on 9 December, 2021 to the Company to augment net working capital, requirements to meet operational liabilities. The door to door tenure of the loan is 6 years including moratorium of principal of two years. The loan is repayable in 48 monthly structured installments beginning January 2024. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR"), plus 0.20%, subject to annual reset.

(a) Primary security:

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

(b) Other security:

i) Pledge of 30% shares of the Company held by Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited"), Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.

ii) Extension of mortgage on the land situated at Agra owned by Leela Agra Resort Limited (Formerly known as "Leela Palaces and Resorts Limited")

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

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

A.10 Short Term Credit Line

The lender has granted a working capital facility as per Agreement dated 11 August 2020 to the Company and co-borrowers i.e. Schloss Chennai Private Limited, Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited"), Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. 29 March 2025) and Leela Agra Resort Limited (Formerly known as "Leela Palaces and Resorts Limited") (w.e.f. 29 March 2025) for a total amounting to Rs. 1,000.00 millions to meet the working capital requirement and it is repayable on demand. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR") plus 0.20%, subject to monthly rests. The rate of interest as on 31 March 2025 is 9.10 % .(31 March 2024:8;65%)

(a) Primary security:

Exclusive first charge on the entire current assets (Present and Future) of the Borrower including Schloss HMA Private Limited (hotel management entity).

(b) Collateral security:

(i) Extension of exclusive charge on the entire fixed assets (including mortgage of property and/or mortgage of lease hold rights in case of lease hold property, if any) of the borrower.

(ii) Extension of exclusive charge on all cash flows of the borrower including Schloss HMA Private Limited (hotel management entity), related to project (including but not limited to ESCROW account and Debt Service Reserve Accounts) opened/to be opened with lender.

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

(iv) Extension of exclusive charge on brand Leela, other intangibles, goodwill, IP relating to the 4 SPVs owned by Schloss HMA Private Limited.

(v) Extension of pledge of 30% shares of (i) The company held by Schloss Bangalore Limited (formerly known as Schloss Bangalore Private Limited) (ii) Schloss Udaipur Private Limited held by the Company (iii) Schloss Bangalore Limited (formerly known as "Schloss Bangalore Private Limited") held by Project Ballet Bangalore (DIFC) Pvt. Ltd.

(iv) Schloss Chennai Private Limited held by Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") in favour of the lender for the entire exposure (TL+WC).

(c) i) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., intermediate Holding company , situated at Dubai upto an amount of Rs. 3,000.00 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations from 31 March 2022. The aforesaid guarantee has been released during the year ended March 31, 2026.

(ii) A guarantee of Schloss HMA Private Limited and Leela Agra Resort Limited (formerly know as" Leela Palaces and Resorts Limited"), fellow subsidiaries enforceable towards meeting the shortfall in debt service obligations upto 28 March 2025.

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

The above loan has been repaid during the year ended March 31, 2026 and the facility has been closed.

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:

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	(125.49)	(150.72)
Borrowings	13,859.99	13,880.23
Closing balance	13,734.50	13,729.51

Particulars	Cash and cash equivalents	Borrowings	Lease liabilities	Total
Net debt as at April 01, 2024	(52.33)	16,658.10	-	16,605.77
Interest expense	-	1,433.39	-	1,433.39
Cash flows	(98.39)	11,868.23	-	11,769.84
Cancellation of leases	-	-	-	-
Interest paid	-	(2,836.54)	-	(2,836.54)
Impact of elimination of CCD in consolidation	-	(9,969.96)	-	(9,969.96)
Impact of early conversion of CCD	-	(3,272.99)	-	(3,272.99)
Gain on modification in terms of compound financial instrument	-	-	-	-
Net debt as at March 31, 2025	(150.72)	13,880.23	-	13,729.51
Interest expense	-	1,337.10	-	1,337.10
Cash flows	25.23	(202.40)	-	(177.17)
Interest paid	-	(1,341.81)	-	(1,341.81)
Interest on CCPS	-	186.88	-	186.88
Net debt as at March 31, 2026	(125.49)	13,859.99	-	13,734.50

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026

(All amounts are in Rupees in millions except otherwise stated)

17 Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables - micro and small enterprises (refer note below)	50.71	14.65
Trade payables - others	101.46	103.10
Trade payables - to related parties (refer note 39)	228.19	116.20
Total	380.36	233.95

Outstanding Dues to Micro and Small Enterprises

Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	50.41	14.65
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.30	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

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

Trade Payables Ageing

As at March 31, 2026			Outstanding for following periods from date of transaction				
Particulars	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Payables							
(i) MSME	-	-	50.71	-	-	-	50.71
(ii) Others	95.35	-	234.30	-	-	-	329.65
							-
Disputed Trade Payables							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	95.35	-	285.01	-	-	-	380.36

As at March 31, 2025		Outstanding for following periods from date of transaction						
Particulars		Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
	Undisputed Trade Payables							
(i)	MSME	-	-	14.65	-	-	-	14.65
(ii)	Others	57.98	-	161.32	-	-	-	219.30
								-
	Disputed Trade Payables							
(i)	MSME	-	-	-	-	-	-	-
(ii)	Others	-	-	-	-	-	-	-
	Total	57.98	-	175.97	-	-	-	233.95

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

18 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Security deposits	1.14	1.15
Total	1.14	1.15
Current		
Capital creditors	45.99	6.17
Employee dues payable	36.21	34.67
Liability towards environmental clearance (Refer Note 40)	-	29.50
Total	82.20	70.34

19 Other liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Contract Liability		
Advance from customers	93.77	82.44
Total	93.77	82.44
Statutory dues payable		
- Value added tax payable	8.17	7.76
- Provident fund payable	3.66	3.17
- Employee state insurance payable	0.04	0.05
- GST Payable	65.67	60.57
- Labour welfare fund payable	1.25	-
- Tax deducted at source and equalisation levy payable	18.03	17.43
Total	190.59	171.42

20 Deferred Tax Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities (net) (Refer Note 29)	-	-
Total	-	-

21 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Provision for employee benefits:		
- Compensated absences	14.92	10.72
- Gratuity	12.13	9.03
Total	27.05	19.75
Current		
Provision for employee benefits:		
- Compensated absences	1.99	1.15
- Gratuity	19.56	3.87
Total	21.55	5.02

Refer Note 30 for details.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

22 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Sale of products:		
Food and beverages revenue	1,327.55	1,172.56
(b) Sale of services:		
Room income	2,101.49	1,857.65
Other allied services*	184.02	148.35
Total Revenue from operations	3,613.06	3,178.56

* Includes laundry income, health club income, airport transfers, membership etc

Disclosure pursuant to Ind AS 115: Revenue from contract with customers

Reconciliation of revenue recognised with contract price

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	3,613.06	3,178.56
Adjustments	-	-
Revenue from operations	3,613.06	3,178.56

Performance obligation

(i) Food and beverages revenue

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

(ii) Room income

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

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

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

Contract Balances

The contract liabilities primarily relates to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered.

Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/ banquets. Revenue is recognized once the performance obligation is met i.e. on room stay/ sale of food and beverage/ provision of banquet services/ other allied services.

The Company has recorded revenue of Rs. 82.44 millions (March 31, 2025: Rs. 80.51 millions) against opening balance of contract liabilities.

Contract liabilities

	For the year ended March 31, 2026	For the year ended March 31, 2025
Advance from customers	93.77	82.44
Total contract liabilities	93.77	82.44

All contracts are for periods of one year or less. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

The change in contract liabilities is on account of revenue recognised and advances received from customers during the year. Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue within the same operating cycle.

(i) Significant changes in contract liabilities

	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract liabilities		
Opening balance	82.44	80.51
Addition during the year	93.77	82.44
Revenue recognised that was included in the contract liability balance at the beginning of the year	(82.44)	(80.51)
Closing balance	93.77	82.44

Timing of recognition	For the year ended March 31, 2026		For the year ended March 31, 2025	
	At a point in time	Over time	At a point in time	Over time
Room revenue	-	2,101.49	-	1,857.65
Revenue from foods and beverages	1,327.55	-	1,172.56	-
Other allied services	184.02	-	148.35	-
Total	1,511.57	2,101.49	1,320.91	1,857.65

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

23 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on financial assets measured at amortised cost:		
- Deposits with banks	24.49	25.72
- Security deposits	0.09	-
- Intercompany deposit	471.04	42.65
- Compulsory convertible debentures	52.50	-
Interests income on income tax refund	-	0.89
Liabilities no longer required written back	-	40.52
Miscellaneous income	-	8.19
Total Other income	548.12	117.97

Other gains/(losses)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net foreign exchange differences	1.17	1.27
Net gain on disposal of property, plant and equipment	(5.28)	-
Total Other gains/(losses)	(4.11)	1.27
Total	544.01	119.24

*Miscellaneous income mainly comprises of scrap sales and rental income.

24 Cost of food and beverages consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Food and beverages		
Opening inventories	75.16	55.92
Add : Purchases (Net)	279.10	270.73
Less : Inventories at the end of the year	(93.63)	75.16
Cost of food and beverages consumed during the year	260.63	251.49

25 Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	494.14	429.14
Contribution to provident and other funds (Refer note 30)	20.07	18.84
Staff welfare expenses	61.88	57.48
Gratuity (Refer note 30 and note 43)	6.04	4.07
Compensated absences (Refer note 30)	5.04	2.27
Total Employee benefits expense	587.17	511.80

26 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on:		
- Rupee term loan*	588.34	978.31
- Liability component of compound financial instruments	186.88	302.29
- Inter corporate deposit	748.76	142.70
- Bank overdraft	-	10.10
- Security deposit	0.08	0.03
- Others	0.30	-
Other borrowing costs	-	1.18
Total Finance costs	1,524.36	1,434.61

* Includes interest on working capital loan of Rs. 16.79 millions (31 March 2025 Rs. 26.00 millions).

27 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	207.57	190.63
Amortisation on intangible assets	0.69	0.72
Total Depreciation and amortisation expenses	208.26	191.35

Schloss Chanakya Private Limited**Notes to financial statements for the year ended March 31, 2026**

(All amounts are in Rupees in millions except otherwise stated)

28 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and operating supplies	104.47	101.76
Power and fuel	168.14	157.08
Repairs and maintenance		
- buildings	30.99	33.61
- plant and machinery	25.12	26.60
- others	48.70	44.60
Insurance	9.56	7.10
Communication	6.88	6.08
Travelling and conveyance	21.38	19.93
Guest transport	18.86	19.88
Printing and stationary	9.19	2.98
Sales and credit card commission	174.18	141.36
Business promotion	177.00	141.71
Management fees	229.20	201.26
Legal and professional fees	16.75	26.30
Payment to auditors (Refer note below)	2.50	2.10
Rates and taxes	102.02	90.39
Bank charges	1.38	1.99
Reservation fee	11.25	8.82
Net Impairment losses on financial assets	(2.32)	(5.98)
Miscellaneous expenses	53.49	94.53
Total Other expenses	1,208.74	1,122.10

28 (a) Details of payments to auditors

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Payment to auditors		
As auditor:		
- Audit fee	2.50	2.10
Total	2.50	2.10

29 Taxation

29a Taxation for the year

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

(a) Income tax expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
Current tax on profit for the year	-	-
Tax impact of earlier years	-	-
Total current tax expenses	-	-
Decrease/ (Increase) in deferred tax assets	(32.91)	(27.40)
(Decrease)/ Increase in deferred tax liabilities	(32.91)	(27.40)
Total deferred tax expenses/(credit)	-	-
Income tax expense	-	-
Income tax expense/(credit) attributable to :		
Profit/(loss) from operations	-	-
OCI	-	-
Total	-	-

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/(loss) from operations before income tax expense	351.70	(213.55)
Tax rate	25.168%	25.168%
Tax at India tax rate	88.52	(53.75)
Tax effect of amounts which are not deductible / taxable in calculating taxable income :		
Items allowable on payment basis not recognised in statement of profit and loss	(98.23)	-
Deferred tax asset not recognised on tax losses	-	2.31
Disallowance of interest on compulsorily convertible preference shares	-	24.64
Disallowance of interest on CCPS	47.04	51.44
Previously unrecognised tax losses now recouped to reduce current tax expense	(37.33)	-
Others	-	(24.64)
Total	-	-

29b Taxation as at the year end

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

The balance comprises temporary differences attributable to:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A) Deferred tax assets		
Unabsorbed depreciation / business loss (Refer note below)	255.41	128.97
Provision for employee benefits	12.23	6.23
Borrowings	2.73	95.56
Loss allowance	3.81	4.40
Others	-	6.14
	274.19	241.30
B) Deferred tax liability		
Property, plant and equipment and intangible assets	274.19	241.30
	274.19	241.30
Net deferred tax asset/(liability)	-	-

(i) Deferred tax assets have been recognised based on an evaluation of whether it is probable that taxable profits will be earned in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of Directors.

(ii) Deferred tax assets have not been recognised in respect of Unabsorbed depreciation of Rs. 1066.40 million (31 March 2025: Rs. 1082.13 million) as its recovery is not considered probable in the foreseeable future. Such Unabsorbed depreciation relate to the business of the Company.

(iii) Tax losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

Expiry periods	For the year ended March 31, 2026	For the year ended March 31, 2025
Within four years	-	-
Later than four years but less than eight years	-	-
No expiry	1,066.40	1,082.13

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

29 Taxation (Cont.)

Movement in deferred tax liabilities/assets

Movement in Deferred Tax for the year ended March 31, 2026

Particulars	As at April 01, 2025	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge/(credit)	Accounted through Other Equity charge/(credit)	Balance as at March 31, 2026
Deferred tax assets					
Unabsorbed depreciation / business loss	128.97	126.44	-	-	255.41
Borrowings	95.55	(92.82)	-	-	2.73
Loss Allowance on trade receivable	4.40	(0.59)	-	-	3.81
Provision for employee benefits	6.23	6.00	-	-	12.23
Lease liability	-	-	-	-	-
Others	6.13	(6.13)	-	-	-
	241.28	32.91	-	-	274.19
Deferred tax liability					
Property, plant and equipment and intangible assets (including goodwill)	(241.28)	(32.91)	-	-	(274.19)
	(241.28)	(32.91)	-	-	(274.19)
Total Deferred tax asset/(Liability)	-	-	-	-	-

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

Particulars	As at April 01, 2024	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge/(credit)	Accounted through Other Equity charge/(credit)	Balance as at March 31, 2025
Deferred tax assets					
Unabsorbed depreciation / business loss	107.45	21.52	-	-	128.97
Deferred revenue	-	-	-	-	-
Borrowings	93.38	2.18	-	-	95.56
Loss Allowance on trade receivable	-	4.40	-	-	4.40
Provision for employee benefits	4.95	1.28	-	-	6.23
Lease liability	-	-	-	-	-
Others	8.12	(1.98)	-	-	6.14
	213.90	27.40	-	-	241.30
Deferred tax liability					
Property, plant and equipment and intangible assets (including goodwill)	(213.90)	(27.40)	-	-	(241.30)
Liability component of compulsory convertible debentures	-	-	-	-	-
	(213.90)	(27.40)	-	-	(241.30)
Total Deferred tax asset/(Liability)	-	-	-	-	-

30 Employee Benefit Obligation

a) Compensated absences

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

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

The expense of compensated absences (non-funded) for the year ended March 31, 2026 amounting to Rs. 5.04 millions (March 31, 2025: Rs. 2.27 millions) has been recognized in statement of profit and loss, based on actuarial valuation carried out using projected unit credit method.

b) Post employment obligations

Provident fund and Employees State Insurance Commission - Defined contribution plan

The Company has defined contribution plans for provident fund 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 are at rates specified in the rules of the schemes.

The contributions are charged to statement of profit and loss as they accrue. The amount of expense towards contribution to provident fund and employees state insurance for the year ended March 31, 2026 aggregated to Rs. 20.07 millions (March 31, 2026: Rs. 18.84 millions)

The Company operates post-employment defined benefit plan that provides gratuity. The Company has partly funded the defined benefit plan for eligible employees. 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 unfunded portion as well as 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 statement of profit and loss:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined benefit plans		
- Employer's contribution to provident and other funds (including Exceptional items)	20.07	18.84
Total	20.07	18.84

Defined benefit plans

- Gratuity (including Exceptional items)

	22.25	6.34
Total	22.25	6.34

Amounts recognised in other comprehensive income:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurements for:		
- Gratuity	3.44	(1.96)
Total	3.44	(1.96)

Gratuity plan

	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of defined benefit obligation	44.83	25.90
Fair value of plan assets	13.14	13.00
Net define benefit obligation	(31.69)	(12.90)
Present value of funded defined benefit obligations	-	-
Impact of minimum funding requirement/asset	-	-
Net defined benefit liability recognised in the Balance Sheet	(31.69)	(12.90)

Net defined benefit liability is bifurcated as follows:

Current	19.56	3.87
Non-current	12.13	9.03

	Present value of obligations	Fair value of plan assets	Net amount
As at April 01, 2024	20.09	10.68	9.41
Acquired as part of business combination	-	-	-
Current service cost	3.90	-	3.90
Past service cost including curtailment gains/losses	(0.63)	-	(0.63)
Interest expense/ (income)	3.41	0.76	2.65
Total amount recognised in profit or loss	6.68	0.76	5.92
Remeasurements:	-	-	-
Total amount recognised in other comprehensive income	-	-	-
Transfer/Acquisition adjustment	-	-	-
Employer contributions	-	2.44	(2.44)
Benefit payments	(0.87)	(0.88)	0.01
For the year ended March 31, 2025	25.90	13.00	12.90
As at April 01, 2025	25.90	13.00	12.90
Acquired as part of business combination	-	-	-
Current service cost	4.68	-	4.68
Past service cost including curtailment gains/losses	16.21	-	16.21
Interest expense/ (income)	2.22	0.86	1.36
Total amount recognised in profit or loss	23.11	0.86	22.25
Remeasurements:	-	-	-
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.10	(0.10)
- (Gain)/ loss from change in demographic assumptions	0.00	-	0.00
- (Gain)/ loss from change in financial assumptions	(1.93)	-	(1.93)
- Experience (gains)/ losses	(1.41)	-	(1.41)
Total amount recognised in other comprehensive income	(3.34)	0.10	(3.44)
Transfer/Acquisition adjustment	-	-	-
Employer contributions	-	0.01	(0.01)
Benefit payments	(0.83)	(0.83)	-
For the year ended March 31, 2026	44.83	13.14	31.69

Notes to financial statements for the year ended March 31, 2026

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Significant actuarial assumptions were as follows:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate (p.a.)	6.77%	7.04%
Salary growth rate (p.a.)	8.00%	8.00%
Retirement age	62	58
Mortality rates inclusive of provision for disability	IALM(2012-14)	IALM(2012-14)
Attrition at Ages		
- Up to 30 Years	30%	30%
- From 31 to 44 years	25%	25%
- Above 44 years	2%	2%

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

Sensitivity analysis

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the year	44.83	25.90
Impact due to increase of 0.50%	(1.57)	(0.81)
Impact due to decrease of 0.50%	1.68	0.86
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the year	44.83	25.90
Impact due to increase of 0.50%	1.28	0.77
Impact due to decrease of 0.50%	(1.24)	(0.74)

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

The major categories of plans assets

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

Maturity analysis

The weighted average duration to the payment of these cash flows is 9 years (March 31, 2025: 4.15 years).

Expected expense for the next annual reporting period is Rs. 19.56 millions (March 31, 2025: Rs. 28.12. millions)

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

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
For the year ended March 31, 2026					
- Gratuity	4.84	5.00	11.70	13.95	35.49
Total	4.84	5.00	11.70	13.95	35.49
Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
For the year ended March 31, 2025					
- Gratuity	3.87	2.56	5.42	14.04	25.89
Total	3.87	2.56	5.42	14.04	25.89

Risk exposure:

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

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

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

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

Mortality risk: 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.

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31 Fair Value Measurement

(i) Financial instruments by category
As at March 31, 2026

	Carrying amount			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Investments (Level 3)	-	-	11,123.42	11,123.42
Loans	-	-	4,140.57	4,140.57
Trade receivables	-	-	260.86	260.86
Cash and cash equivalents	-	-	125.49	125.49
Bank balances other than cash and cash equivalents	-	-	10.34	10.34
Other financial assets	-	-	140.83	140.83
Total financial assets	-	-	15,801.51	15,801.51
Financial liabilities				
Borrowings	-	-	13,859.99	13,859.99
Trade payables	-	-	380.36	380.36
Other financial liabilities	-	-	83.34	83.34
Total financial liabilities	-	-	14,323.69	14,323.69

As at March 31, 2025

	Carrying amount			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Investments (Level 3)	-	-	11,123.05	11,123.05
Trade receivables	-	-	240.36	240.36
Cash and cash equivalents	-	-	150.72	150.72
Bank balances other than cash and cash equivalents	-	-	292.76	292.76
Other financial assets	-	-	135.74	135.74
Total financial assets	-	-	11,942.63	11,942.63
Financial liabilities				
Borrowings	-	-	13,880.23	13,880.23
Trade payables	-	-	233.95	233.95
Other financial liabilities	-	-	71.49	71.49
Total financial liabilities	-	-	14,185.67	14,185.67

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 are considered to be the same as their fair values, due to their short-term nature.

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

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

Further, the Company has valued compound financial instrument (both financial liability and equity component) at fair value on initial recognition. Financial liability subsequently measured at amortised cost by adding unwinded interest.

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

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

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

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

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

There has been no transfer between different fair values hierarchy level for the year ended March 31, 2026 and March 31, 2025 .

32 Financial Risk Management

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

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

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

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

A. Credit Risk

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

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

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

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

Trade receivables

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

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The carrying amounts of trade receivables as disclosed in note number 12 represent the maximum credit risk exposure.

Ageing	1 to 60 days	61 to 120 days	120 to 180 days	Above 180 days	Gross receivable	Impairment	Net receivable	
As at March 31, 2026		243.04	17.98	3.80	11.19	276.01	15.15	260.86
As at March 31, 2025		235.97	7.86	1.14	12.87	257.83	17.47	240.36

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

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	17.47	23.45
Impairment losses (recognised) on receivables	(2.32)	(5.98)
Balance at the end of the year	15.15	17.47

B. Liquidity risk

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

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

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

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Contractual maturities of financial liabilities

As at March 31, 2026	Carrying amount	Less than 1 Year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	13,859.99	8,502.37	1,618.02	3,723.60	13,981.86	27,825.85
Trade payables	380.36	380.36	-	-	-	380.36
Other financial liabilities	83.34	82.20	1.14	-	-	83.34
Total financial liabilities	14,323.69	8,964.93	1,619.16	3,723.60	13,981.86	28,289.55

As at March 31, 2025	Carrying amount	Less than 1 Year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	13,880.23	4,142.72	1,732.57	6,390.59	5,869.35	18,135.23
Trade payables	233.95	233.95	-	-	-	233.95
Other financial liabilities	71.49	70.34	1.15	-	-	71.49
Total financial liabilities	14,185.67	4,447.01	1,733.72	6,390.59	5,869.35	18,440.67

C. Market risk

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

Currency risk:

The currencies in which the transactions are primarily denominated are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily in foreign currency are import of stores and operating supplies, payment of royalty and other expenses. There are no foreign currency revenue. The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees, are as follow:

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

As at March 31, 2026			
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (INR in millions)
Liabilities			
Trade payables	USD	2,89,891.00	27.44
Trade payables	GBP	5,138.00	0.49
Total exposure			27.92
Less: exposure hedged			(27.92)
Unhedged exposure			-

As at March 31, 2025			
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (INR in millions)
Liabilities			
Trade payables	USD	2,44,599.00	21.07
Trade payables	GBP	3,243.00	0.36
Total exposure			21.44
Less: exposure hedged			(21.44)
Unhedged exposure			-

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

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

As at March 31, 2026				
	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/Rs.	95.86	27.79	-
Buy	GBP/Rs.	127.11	0.65	-
Total				-

As at March 31, 2025				
	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/Rs.	86.16	21.07	-
Buy	GBP/Rs.	111.70	0.36	-
Total				-

ii. Foreign exchange sensitivity

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

Impact on Profit or Loss		
	As at March 31, 2026	As at March 31, 2025
USD sensitivity		
Rs./ USD - Increase by 1%*	0.27	0.21
Rs./ USD - Decrease by 1%*	(0.27)	(0.21)
GBP sensitivity		
Rs./ GBP - Increase by 1%*	0.00	0.00
Rs./ GBP - Decrease by 1%*	(0.00)	(0.00)

*Amount below rounding off norms.

b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company. The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the

As at March 31, 2026			
	Interest rate range	Balance	% of total loans
Rupee term loan	3 months MCLR subject to quarterly reset	5,267.38	38%
Working capital term loan	6 months MCLR subject to half yearly reset	875.34	6%

As at March 31, 2025			
	Interest rate range	Balance	% of total loans
Term loans	One year MCLR + spread of 0.10%, subject to monthly rests	9,053.62	65%
Working capital loan	Six months MCLR + spread of 0.20%, subject to annual rests	1,614.05	12%

Cash flow sensitivity analysis for variable rate instruments

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

As at March 31, 2026		
	Impact on profit after tax	Impact on profit after tax
Interest sensitivity		
Interest rates – increase by 100 basis points	(61.43)	(106.68)
Interest rates – decrease by 100 basis points	61.43	106.68

33 Capital Management

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

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

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

The gearing ratios were as follows:

	As at March 31, 2026	As at March 31, 2025
Borrowings	13,859.99	13,880.23
Less: Cash and Cash Equivalents	(125.49)	(150.72)
Less: Other Balance with bank (short term deposits)	(10.34)	(292.76)
Net Debt	13,724.16	13,436.75
Total equity	21,001.50	16,433.60
Net debt to equity ratio	0.65	0.82

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

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34 Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the Company not acknowledged as debt, in respect of -		
Floor Area Ratio Charges ("FAR") - New Delhi Municipal Council ("NDMC") (Note a)	3,134.83	3,031.72
Disputed statutory liabilities (Note-2)	5.46	5.17
Proceeding under The Minimum Wages Act, 1948(Note - b)	1.08	1.08
Total	3,141.37	3,037.97

Note 1:

(a) HLV Limited against the demand of Rs. 1,527.49 millions towards FAR charges deposited only Rs. 954.68 millions and the balance amount of Rs. 572.81 millions was disputed. HLV Limited filed a writ petition before the Delhi High Court, inter alia for setting aside/quashing the final recovery notice praying that the Delhi hotel be classified as falling in the South Zone for the purpose of payment of charges for additional FAR and for grant of 25% concession of Zonal Average Auction Rate ("ZAAR"). The matter is pending before the Court.

(b) In the complaint under the Minimum Wages Act, 1948 the order was issued against HLV Limited in September 2015 directing to pay Rs. 1.08 millions. The order was challenged by HLV Limited before Hon'ble High Court of judicature at Delhi. The matter is pending before the High Court..

(2) The breakup of disputed statutory liabilities is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Disputed statutory liabilities		
(i) Service tax	5.46	5.17
Total	5.46	5.17

(i) Service tax

Service tax department has levied service tax on complimentary services during the period from July 2012 to June 2017. The matter is currently pending before CESTAT.

35 Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital expenditure related to property, plant and equipment and not provided for.	9.26	101.12

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(All amounts are in Rupees in millions except otherwise stated)

36 Lease - as a lessor

The company has given on operating leases portion of its building for shops and tower rental . Income of Rs. 4.95 millions has been recognised in Statement of Profit and Loss .

The future minimum lease payments receivable for under the said non-cancellable operating lease are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Receivable within one year	5.33	6.15
Receivable between one and five years	4.94	10.27
Receivable more than five years	-	

37 Segment Information

The Company's board of Director's are identified as Chief Operating Decision Maker ('CODM'), since they are responsible for all the major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of Hotel Leela Delhi. CODM has examined the Company's performance from product and geographic perspective and has identified a single business segment i.e. "Developing and running of hotels", hence no specific disclosures have been made.

A. Information about products and services

Company primarily deals in one business namely "Developing and running of hotels" therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas

The Company provides services to customers in India. Further, there are no non-current assets located outside India.

C. Information about major customers

The Company does not derive revenue from one customer which would amount to 10 per cent or more of the entity's revenue.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026

(All amounts are in Rupees in millions except otherwise stated)

38 Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic earnings per share		
Profit/(Loss) for the year (A)	351.70	(213.55)
Weighted average number of equity shares for the purpose of basic earnings per share (B)	11,10,23,076	11,10,23,076
Basic Earnings per equity share C=(A/B) in Rs.	3.17	(1.92)
Diluted earnings per share		
Profit attributable to the equity holders (A)		
Used in calculating basic earning per share	351.70	(213.55)
Add: Finance cost saved on compulsorily convertible debentures	-	97.90
Add: Finance cost saved on compulsorily convertible Preference shares	186.88	-
Profit/(loss) attributable to the equity holders used in calculating diluted earnings per share:	538.58	(115.65)
Weighted average number of shares used as the denominator (B)		
Opening balance (a)	11,10,23,076	5,74,23,076
Equivalent shares on conversion of CCPS (b)**	15,01,18,140.23	4,46,66,667
Equivalent shares of CCDs (c)	-	89,33,333
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (a+b+c)	26,11,41,216.23	11,10,23,076
Adjustments for calculation of diluted earnings per share		
Weighted average number of equity shares used and potential equity shares used as the denominator in calculating diluted earnings per share*	26,11,41,216.23	11,10,23,076
Diluted Earnings per equity share C=(A/B) in Rs.	2.06	(1.92)

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

**Weighted average number of Compulsorily convertible preference shares (CCPSs) included in the denominator in calculating diluted earnings as per para 23 of Ind-AS 33.

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

39 Related Party Transactions

(a) Names of related parties

(i) Holding company

Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") (w.e.f 31 May 2024)
BSREP III India Ballet Pte. Ltd. (upto 30 May 2024)

(ii) Subsidiaries

Tulsi Palace Resort Private Limited (w.e.f 31 May 2024)
Schloss Udaipur Private Limited (w.e.f 31 May 2024)

(iii) Fellow subsidiaries

Schloss HMA Private Limited
Schloss Chennai Private Limited
Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")
Schloss Tadoba Private Limited
Inside India resorts Private Limited
Anasvish Tiger Camp Private Limited
Buildminds Real Estate Private Limited
Leela Luxe Hotels & Resorts Private Limited
Leela Nirvana Resorts Private Limited
Leela Essence Hospitality Private Limited
Leela Opulence Hotels Private Limited
Leela Imperial Suite Private Limited
Aries Holdings (DIFC) Limited
Leela BKC holdings Private Limited (upto April 17,2025)
Transition Cleantech Services Five Private Limited
Schloss Gandhinagar Private Limited
Elevar Digital Infrastructure Private Limited
Summit Digital Infrastructure Limited
Brookprop Property Management Services Private Limited
Brookfield India Real Estate Trust
Arliga India Office Parks Private Limited
Arliga Ecoworld Infrastructure Private Limited
Cowrks India Private Limited
BAM DLR Data Centre Services Pvt. Ltd.
Brookfield Advisors India Private Limited
Brookprop Management Services Pvt Ltd
Rostrum Realty Private Limited
Mountainstar India Office Parks Private Limited
Kairos Properties Private Limited
Candor Kolkata One Hi Tech Structures
Candor India Office Parks Pvt. Ltd.

(iv) Other Related Party

Siemens Limited

(v) Associate of Holding Company/fellow subsidiary

Lago Vue Srinagar Private Limited
Argon Holdings DIFC Limited

(vi) Joint Ventures

Leela BKC holdings Private Limited (wef April 18,2025)

(vii) Key managerial personnel

Mr. Anupam Das Gupta, Director
Mr. Yogesh Joshi, Non-Executive Director (upto May 12 2024)
Mr. Anuraag Bhatnagar, Non-Executive Director (upto January 16, 2026)
Mr. Ravi Shankar, Non-Executive Director (upto January 05, 2026)
Ms. Apurva Purohit, Independent Director
Mr Souqata Kundu
Ms Anuja Dube
Mr Subhasish Dutta (Upto 31 March 2026)

(b) Transactions during the year

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Management fees expense		
Schloss HMA Private Limited	229.38	201.26
Reimbursement of expenses paid to / (received from)		
Schloss HMA Private Limited	54.74	73.14
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	69.95	(19.56)
Schloss Udaipur Private Limited	11.05	(13.47)
Schloss Chennai Private Limited	(3.27)	(1.10)
Schloss Gandhinagar Private Limited	0.65	(0.01)
Tulsi Palace Resort Private Limited	0.36	6.06
Interest income on capex limit utilisation (refer note 16A)		
Schloss Chennai Private Limited	30.68	23.41
Schloss Udaipur Private Limited	30.98	17.09
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss	-	29.77
Investment in Equity		
Leela BKC Holdings Private Limited	0.14	-
Investment in NCD's		
Leela BKC Holdings Private Limited	0.24	-
Issue of Compulsorily Convertible Preference Shares		
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	4,700.00	-

Interest on Compulsorily Convertible Preference Shares

Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited")	186.88	97.90
(formerly known as "Schloss Bangalore Private Limited")		

Interest on 10.50% unsecured compulsorily convertible debentures

BSREP III India Ballet I Pte. Ltd.	-	204.39
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Inter corporate deposit given

Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	-	55.00
Tulsi Palace Resort Private Limited	4,700.00	-
Schloss Udaipur Private Limited	164.95	-
Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")	-	40.00

Inter corporate deposit received

Schloss Udaipur Private Limited	140.00	535.00
Schloss Chennai Private Limited	-	526.00
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	5,820.00	1,245.72

Inter corporate deposit settlement (Paid/ (Received))

Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")	-	(40.00)
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	2,100.75	(660.00)
Schloss Chennai Private Limited	-	421.00
Schloss Udaipur Private Limited	(562.55)	(600.00)
Tulsi Palace Resort Private Limited	(1,008.32)	-

Interest expense on inter corporate deposit

Schloss Udaipur Private Limited	11.36	19.25
Schloss Chennai Private Limited	12.80	17.55
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	724.60	105.90

Interest (income) on inter corporate deposit

Schloss HMA Private Limited	-	(23.18)
Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")	-	(1.44)
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") (w.e.f 31 Mar 2024)	-	(17.99)
Schloss Udaipur Private Limited	12.75	-
Tulsi Palace Resort Private Limited	458.29	-

Interest (income) on CCDs

Tulsi Palace Resort Private Limited	52.50	-
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Interest expense on CCPS

Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") (w.e.f 31 Mar 2024)	186.88	97.90
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Revenue from operation

Arliqa India Office Parks Private Limited	0.10	0.10
Brookprop Property Management Services Pvt Ltd	0.40	0.40
Brookfield Advisors India Pvt Ltd	0.13	9.28
Brookprop Management Services Pvt Ltd	-	0.59
Brookfield India Real Estate Trust	-	0.07
Elevar Digital Infrastructure Ltd	0.31	0.08
Rostrum Realty Private Limited	0.27	0.27
Summitt Digital Infrastructure Ltd	1.37	1.07
Mountainstar India Office Parks Private Limited	0.01	0.01
Kairos Properties Private Limited	0.04	0.05
Candor Kolkata One Hi Tech Structures	0.04	0.02
Candor India Office Parks Pvt. Ltd.	0.52	0.44

Capital Expenses

Siemens Limited	3.61	-
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Sale of Asset

Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")	0.04	-
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Purchase of Investment

Project Ballet Udaipur Holdings (DIFC) Private Limited	-	4,139.86
BSREP III Joy two holdings (DIFC) Limited	-	6,983.18

Income from Investment

Leela BKC holdings Private Limited (wef April 18,2025)	0.02	-
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Managerial remuneration *

Mr. Anupam Das Gupta	22.10	19.56
Mr.Subhashish Dutta	6.19	2.19

* 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.

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Trade payables (Including accruals)		
Schloss HMA Private Limited	254.62	116.01
Tulsi Palace Resort Private Limited	-	0.21
Trade receivable		
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	-	28.04
Schloss Udaipur Private Limited	-	24.66
Schloss Chennai Private Limited	-	0.60
Summitt Digital Infrastructure Ltd	0.08	0.02
Rostrum Realty Private Limited	-	0.06
Elevar Digital Infrastructure Private Limited	0.06	0.03
Brookfield Advisors India Pvt Ltd	-	0.21
Inter corporate deposit payable		
Schloss Udaipur Private Limited	-	535.00
Schloss Chennai Private Limited	122.24	110.72
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	5,669.93	1,298.54
Inter corporate deposit receivable		
Schloss Udaipur Private Limited	36.43	-
Tulsi Palace Resort Private Limited	4,104.14	-
Investment in CCDs		
Tulsi Palace Resort Private Limited	547.39	-
Equity component of CCPS		
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	14,182.72	9,969.96
Liability component of CCPS		
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	1,925.10	1,250.99
Other receivables		
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	-	22.46

(d) Corporate guarantee

During the previous year, the Company had received a corporate guarantee of up to Rs. 3,000 million from BSREP III India Ballet Holdings (DIFC) Limited in respect of the term loan facility availed by the Company and its subsidiaries, namely Schloss Chennai Private Limited, Schloss Udaipur Private Limited, Schloss Chanakya Private Limited, Schloss HMA Private Limited (w.e.f. March 31, 2025) and Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited") (w.e.f. March 29, 2025) (joint co-borrowers).

Effective January 31, 2026, the aforesaid corporate guarantee has been released, and accordingly, no such guarantee is outstanding as at the reporting date.

(e) Other Security

During the previous year, Company's fellow subsidiary i.e Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited") (w.e.f. 31 May 2024) extended the mortgage on the land and pledged 30% shares of the Company respectively for the term loan availed by the Company.

The aforesaid mortgage and pledge has been released during the financial year ended March 31, 2026.

(f) Names of Related parties where control exists

Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited"), BSREP III India Ballet I Pte. Ltd.(Holding Company till 30 May 2024), BSREP III India Ballet Holdings (DIFC) Ltd (Intermediate Holding Company - w.e.f 31 May 2024), BSREP III India Ballet Pte. Ltd. (Intermediate Holding Company till 30 May 2024) and Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.) (Ultimate controlling party)

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

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

40 Liability for environmental clearance

Liability towards environmental clearance pertains to expenses to be incurred by the Company for the remediation plan for obtaining Environmental Clearance ("EC") from the Ministry of Environment and Forests ("MOEF") for the enhanced built-up area for which EC was not obtained in the past. The total expenses to be incurred by the Company is Rs. 109.07 millions. The breakup of the amount to be incurred by the Company is as follows:

Particulars	Amount
Cost on remediation plan based on damage	36.97
Natural resource and community resource	33.85
Activities to be completed under CER after the	36.25
Ecology and biodiversity conservation in AsolaBhati	2.00
	109.07

The said amount is to be spent by the Company over a period of 3 years as follows: #

Particulars	As at March 31, 2026	As at March 31, 2025
Financial year 2021-22	24.45	24.45
Financial year 2022-23	23.50	23.50
Financial year 2023-24	61.12	61.12
	109.07	109.07

The company has incurred all expenditures in accordance with the directives issued by the Ministry of Environment and Forests and is currently in the process of submitting the final closure documentation.

41 Ratio Analysis and its elements

Ratio Analysis	Numerator	Denominator	March 31, 2026	March 31, 2025	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	0.61	0.29	115%	Increase mainly due to reduction in current borrowing (ICD).
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	0.66	0.84	-22%	
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	0.41	0.57	-28%	Reduction mainly due to increase in profit after tax
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	0.02	(0.02)	-187%	Significant change due to profit in the current year.
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	2.54	2.86	-11%	Reduction mainly due to saving in operation cost
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	14.42	18.99	-24%	Reduction is due to increase in revenue from operation in current year.
Trade Payables Turnover Ratio	Net Purchases	Average Trade Payables	0.91	0.86	5%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	(2.39)	(2.30)	4%	
Net Profit Ratio	Net Profit after tax	Net Sales	0.10	(0.07)	-245%	Significant increase due to better business performance in current year.
Return on Capital employed	EBIT	Capital Employed	0.04	0.04	-4%	

Schloss Chanakya Private Limited
Notes to financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

42 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.

43 Exceptional items

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has restructured the compensation of its employees, and assessed the impact of the changes, consistent with the Labour codes, FAQs and disclosed the incremental impact of these changes on the best information available and consistent with the guidance provided by the Institute of Chartered Accountants of India.

Considering the regulatory-driven and non-recurring nature of this impact, the Company has presented such incremental impact under Exceptional Items amounting to Rs. 16.21 millions in the financial statements for the year ended March 31, 2026. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

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

- As on March 31, 2026 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
- The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except as stated below.

Inter-corporate deposit received from	Inter-corporate deposit advanced to	Amount in Rupees in Millions
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	Tulsi Palace Resort Private Limited	4,700.00
Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")	Schloss Udaipur Private Limited	164.95

- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

45 Subsequent Event

There are no events after the reporting period.

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Tarun Kanhayalal Kinger

Digitally signed by Tarun Kanhayalal Kinger
Date: 2026.04.28 18:38:36 +05'30'

Tarun Kinger

Partner

Membership Number:105003

Place: Mumbai

Date: April 28, 2026

For and on behalf of the board of directors of Schloss Chanakya Private Limited

CIN: U55209DL2019PLC347492

ANUPAM DASGUPTA
Digitally signed by ANUPAM DASGUPTA
Date: 2026.04.28 18:02:54 +05'30'

Anupam Dasgupta
Whole Time Director
DIN: 09497530
Place: New Delhi
Date: April 28, 2026

SOUGATA KUNDU
Digitally signed by SOUGATA KUNDU
Date: 2026.04.28 18:20:55 +05'30'

Sougata Kundu
Director
DIN: 07091941
Place: Mumbai
Date: April 28, 2026

CHIRANJEEV SHARMA
Digitally signed by CHIRANJEEV SHARMA
Date: 2026.04.28 17:50:36 +05'30'

Chiranjeev Sharma
Chief Financial Officer
Place: New Delhi
Date: April 28, 2026

ANUJA OMPRAKASH DUBE
Digitally signed by ANUJA OMPRAKASH DUBE
Date: 2026.04.28 18:20:25 +05'30'

Anuja Dube
Company Secretary
MN: ACS 44198
Place: Mumbai
Date: April 28, 2026