

Independent Auditor's Report

To the Members of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of investment in subsidiaries and a joint venture

See Note 7 to standalone financial statements

The key audit matter

The Company has investments in subsidiaries and a joint venture aggregating to Rs 60,857.81 million as at 31 March 2026 which

How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:



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

Registered Office:

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

Independent Auditor's Report (Continued)

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

represents 63.82% of the Company's total assets as at that date.

Management assesses at each reporting date whether indicators of impairment exist, based on either internal or external sources of information. Where such indicators are identified, the recoverable amount of the investment is determined, and an impairment loss is recognised in the Statement of Profit and Loss if the recoverable amount is lower than the carrying value.

The recoverable amounts are determined using the value-in-use methodology, based on discounted cash flow models, which involve significant management judgement.

We identified the assessment of impairment indicators and the determination of recoverable amounts, and the resultant provisions, if any, in respect of investments in subsidiaries and the joint venture as a key audit matter considering:

- The significance of the carrying value of these investments in the Standalone Balance Sheet;
- The financial performance and net worth of the subsidiaries and joint venture; and
- The degree of judgement involved in determining the recoverable amounts, particularly in relation to:
 - i. valuation assumptions such as discount rates and terminal growth rates; and
 - ii. business assumptions including revenue growth rates, associated costs, and projected future cash flows.

- Understanding the process followed by the Company in respect of the annual impairment analysis for investments in subsidiaries and the joint venture and assessed the appropriateness of accounting policy.
- Evaluating the design and implementation of key internal financial controls over the impairment assessment process and testing the operating effectiveness of such controls, including controls relating to the determination of key assumptions used in such assessment.
- Assessing indicators of impairment by comparing the carrying values of investments with the respective net asset values and evaluating the financial performance of the subsidiaries and joint venture.
- Involving our valuation specialist, to assist us in evaluating the valuation methodology applied by the Company and to assess the reasonableness of key assumptions used in the impairment models, including discount rates and terminal growth rates.
- Evaluating the key assumptions used in the valuation models, including projected earnings before interest, taxes, depreciation and amortisation (EBITDA), revenue growth rates and cost assumptions, based on our understanding of the businesses, historical performance and external market conditions.
- Assessing the historical accuracy of management's forecasts by comparing prior period forecasts with actual results.
- Testing the data used in valuation model for completeness and accuracy.
- Performing sensitivity analysis to evaluate the impact of change in key assumptions, individually or collectively, on the recoverable amounts.
- Assessing the adequacy of the related disclosures in the standalone financial statements.



Impairment assessment of Goodwill

Independent Auditor's Report (Continued)

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

See Note 5 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
As at 31 March 2026, the carrying value of goodwill is Rs 757.20 million pertaining to past acquisition representing 0.84% of the net assets as at that date. The Company performs impairment assessment of Goodwill in accordance with Ind AS 36 "Impairment of Assets", atleast annually to assess whether there is any indication that the cash generating unit (CGU) to which goodwill has been allocated may be impaired by comparing its carrying value with its estimated recoverable value. The recoverable value is determined using the value-in-use methodology, based on discounted cash flow models, which involve significant management judgment. The assessment of impairment of goodwill is a complex process as the management is required to make significant estimates and assumptions which includes forecast of future revenue, operating margins and discount rates to assess the recoverable value of the CGU. In view of the significance of the carrying amount of goodwill and the significant judgements and estimates involved, impairment assessment of goodwill has been identified as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Understanding the process followed by the Company in respect of the annual impairment analysis and assessed the appropriateness of accounting policy. - Evaluating the design and implementation of key internal financial controls over the Company's process of impairment assessment and testing the operating effectiveness of such controls. including controls over determination of key assumptions used in such assessment. - Evaluating the valuation methodology and key market related assumptions such as discount rate and terminal growth rate with assistance of our valuation specialist. - Evaluating the reasonableness of the key assumptions used in the cash flow forecasts which includes projected earnings before interest, taxes, depreciation and amortisation (EBITDA), revenue growth rates and cost assumptions. - Assessing the historical accuracy of management's forecasts by comparing prior period forecasts with actual results. - Testing the data used in valuation model for completeness and accuracy. - Performing a sensitivity analysis to evaluate the impact of change in key assumptions, individually or collectively, on the recoverable amounts. - Assessed the adequacy of the related disclosures made in the standalone financial statements in accordance with the applicable accounting standards.



Independent Auditor's Report (Continued)

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and auditor's reports thereon. The Directors report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting



Independent Auditor's Report (Continued)

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

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.



Independent Auditor's Report (Continued)

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

- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 4 April 2026 and 20 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. 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 standalone financial statements - Refer Note 37 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 46(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.



Independent Auditor's Report (Continued)

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

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

In our opinion and according to the information and explanations given to us, the 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


Tarun Kinger
Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 105003

ICAI UDIN:26105003HPSXZW6591

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026

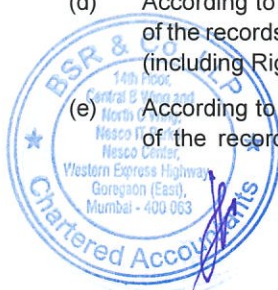
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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 three 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. During the year, the Company has verified all the Property, plant and equipment. No material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs in million)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
1 hectare of land at Kudrekonda State Forest, Davangere District, Karnataka	-	M/s Sarjan Realities Limited	No	7 January 2021	Title deeds are in the process of being transferred in the name of the Company

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (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



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026 (Continued)

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 employee as below:

Particulars	Loans (Rs in million)	Advances in nature of loans (Rs in millions)
Aggregate amount during the year		
Subsidiaries*	12,675.50	-
Employees	-	3.37
Balance outstanding as at balance sheet date in respect of above cases		
Subsidiaries*	11,879.59	-
Employees	-	2.11

*As per 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, except for certain loans granted to subsidiaries which are repayable on demand. Further, in respect of advances in the nature of loans granted to employees, as per the policy of the Company, which are interest-free, the repayment schedules have been stipulated. The



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026 (Continued)

repayment of principal amounts and 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, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans given to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties (Rs in million)
Aggregate of loans - Repayable on demand	577.81
Percentage of loans to the total loans	4.72%

- (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 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 material 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



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026 (Continued)

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 million)	Amount paid under protest (Rs in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Tax, interest and penalty	100.76	-	April 2007 to December 2012	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	
Finance Act, 1994	Tax, interest and penalty	6.50	-	October 2014 to March 2016	Commissioner of Central Excise (Appeals)	
Finance Act, 1994	Tax, interest and penalty	51.76	-	FY 2005-06 to FY 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	
Goods and Service Tax	Tax, interest and penalty	0.08	0.32	FY 2019-20	First Appellate Authority	
Goods and Service Tax	Tax, interest and penalty	4.51	0.71	FY 2020-21	First Appellate Authority	
Goods and Service Tax	Tax, interest	2.93	0.79	FY 2021-22	First Appellate	

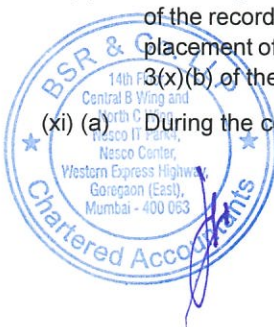


Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026 (Continued)

Name of the statute	Nature of the dues	Amount (Rs in million)	Amount paid under protest (Rs in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Tax	and penalty				Authority	
Goods and Service Tax	Tax, interest and penalty	1.36	0.57	FY 2022-23	First Appellate Authority	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint venture as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint venture companies (as defined under the Act).
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

- (xi) (a) During the course of our examination of the books and records of the Company and according



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026 (Continued)

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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has 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.



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026 (Continued)

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Directors report is expected to be made available to us after the date of this auditor's report.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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


Tarun Kinger

Partner

Membership No.: 105003

ICAI UDIN:26105003HPSXZW6591

Place: Mumbai

Date: 28 April 2026

Annexure B to the Independent Auditor's Report on the standalone financial statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 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 standalone financial statements, whether due to fraud or error.

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



Annexure B to the Independent Auditor's Report on the standalone financial statements of Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited") for the year ended 31 March 2026 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.:101248WW-100022


Tarun Kinger
Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 105003

ICAI UDIN:26105003HPSXZW6591

Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Standalone 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	14,923.89	12,160.99
Right-of-use assets	4	2,542.09	2,405.25
Capital work-in-progress	3	717.54	563.25
Investment properties	6	-	1,683.73
Investment properties under construction	6	-	296.11
Goodwill	5	757.20	757.20
Other intangible assets	5	379.73	384.20
Financial assets			
- Investments	7	60,857.81	47,239.96
- Loans	15	11,791.15	-
- Other financial assets	8	409.11	10,559.85
Non-current tax assets (net)	9	110.54	97.84
Other non-current assets	10	137.37	176.89
Total non-current assets		92,626.43	76,325.27
Current assets			
Inventories	11	87.83	75.28
Financial assets			
- Loans	15	597.03	2,075.72
- Trade receivables	12	168.91	134.42
- Cash and cash equivalents	13	43.67	396.10
- Bank balances other than cash and cash equivalents	14	1,654.15	373.27
- Other financial assets	8	10.69	148.01
Other current assets	10	168.09	610.53
Total current assets		2,730.37	3,813.33
TOTAL ASSETS		95,356.80	80,138.60
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	3,339.58	2,764.87
Other equity			
- Reserves and surplus	17 (b)	86,930.97	60,662.88
Total equity		90,270.55	63,427.75
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	136.96	12,574.70
- Lease liabilities	4	2,371.92	2,100.88
- Other financial liabilities	20	85.99	67.10
Other non-current liabilities	21	26.76	10.97
Deferred tax liabilities (net)	22	558.46	236.36
Provisions	23	32.01	34.52
Total non-current liabilities		3,212.10	15,024.53
Current liabilities			
Financial liabilities			
- Borrowings	18	1,248.09	1,198.60
- Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		55.11	9.59
(b) Total outstanding dues other than (a) above		221.05	226.43
- Other financial liabilities	20	135.31	100.98
Other current liabilities	21	188.36	144.10
Provisions	23	26.23	6.62
Total current liabilities		1,874.15	1,686.32
Total liabilities		5,086.25	16,710.85
TOTAL EQUITY AND LIABILITIES		95,356.80	80,138.60
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 Kinger
Partner
Membership Number : 105003

Place: Mumbai
Date: April 28, 2026

For and on behalf of the board of directors of
Leela Palaces Hotels & Resorts Limited (formerly known as 'Schloss Bangalore Limited')
(formerly known as 'Schloss Bangalore Private Limited')
CIN: L55209DL2019PLC347492

Anuraag Bhatnagar
Whole Time Director
DIN: 07967035

Place: Mumbai
Date: April 28, 2026

Ashank Kothari
Director
DIN: 08565174

Place: Mumbai
Date: April 28, 2026

Ravi Shankar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2026

Jyoti Maheshwari
Company Secretary
Membership no: ACS24469

Place: Mumbai
Date: April 28, 2026



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Standalone 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	24	4,374.64	3,751.11
Other income	25	2,105.17	990.59
Total income		6,479.81	4,741.70
Expenses			
Cost of food and beverages	26	293.02	310.61
Employee benefits expense	27	638.68	593.92
Finance costs	28	576.62	1,888.32
Depreciation and amortisation expenses	29	307.57	276.15
Other expenses	30	1,250.28	1,094.75
Total expenses		3,066.17	4,163.75
Profit before exceptional items and tax		3,413.64	577.95
Exceptional items	42	16.40	-
Profit after exceptional items and before tax		3,397.24	577.95
Income tax expense			
-Current tax	31	76.72	-
-Deferred tax	31	562.61	235.60
Total tax expense		639.33	235.60
Profit for the year		2,757.91	342.35
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit plans		4.93	3.01
Income tax relating to these items		(1.24)	(0.76)
Other comprehensive income for the year, net of tax		3.69	2.25
Total comprehensive income for the year		2,761.60	344.60
Earnings per share attributable to owners:	39		
Basic earnings per share (in Rs.) (face value of Rs. 10 each)		8.51	1.41
Diluted earnings per share (in Rs.) (face value of Rs. 10 each)		8.51	1.41
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 Kinger
Partner
Membership Number : 105003

Place: Mumbai
Date: April 28, 2026

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Place: Mumbai
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Ravi Shankar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2026

Jyoti Maheshwari
Company Secretary
Membership no. ACS24469

Place: Mumbai
Date: April 28, 2026



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Standalone 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
A. Cash flows from operating activities		
Profit before tax for the year	3,397.24	577.95
Adjustments for:		
Depreciation and amortisation	307.57	276.15
Finance costs	576.62	1,888.32
Net (gain)/loss on disposal of property, plant and equipment	1.71	(0.79)
Net impairment losses/(reversal) on financial assets	2.23	(1.14)
Net unrealised foreign exchange differences	(304.61)	0.59
Interest income	(1,614.77)	(646.57)
Exceptional item	16.40	-
Unwinding of discount on security deposits	(0.29)	-
Changes in fair value of financial assets at fair value through profit or loss	(187.21)	(97.85)
Operating cash flows before working capital changes	2,194.89	1,996.66
Working capital movements:		
(Increase)/decrease in inventories	(12.55)	20.64
(Increase) in trade receivables	(36.72)	(42.43)
(Increase)/decrease in other financial assets	134.63	(147.34)
(Increase)/decrease in other current assets	442.44	(540.71)
(Increase) in other non-current assets	(57.15)	(2.40)
Increase/(decrease) in trade payables	40.14	(34.25)
Increase in other current liabilities	42.41	40.39
Increase in other non-current liabilities	8.98	1.40
Increase in other financial liabilities	17.37	52.27
Increase in provisions	22.03	7.14
Cash generated from operations	2,796.47	1,351.37
Income taxes (paid), net	(82.36)	(23.16)
Net cash flows generated from operating activities (A)	2,714.11	1,328.21
B. Cash flows from investing activities		
Payments for purchase of property, plant and equipment including investment properties	(1,026.22)	(695.09)
Payments for purchase of intangibles	(4.49)	-
Proceeds from sale of property, plant and equipment	-	0.79
Payment of acquisition/Investments of subsidiaries	(6,551.35)	(36,018.87)
Bank Deposit placed	(37,564.72)	(36,731.78)
Bank Deposit matured	46,495.87	26,855.47
Interest received	464.05	299.33
Intercompany deposits given to related parties	(12,675.50)	(2,965.01)
Repayment of intercompany deposits by related parties	2,444.12	947.71
Interest received on intercompany deposits to related parties	1,003.35	165.13
Investments in joint venture	(1,874.67)	-
Payments towards investment properties under construction	-	(296.11)
Payment for purchase of CCPS issued by subsidiaries	(4,700.00)	(11,123.05)
Net cash flows used in investing activities (B)	(13,989.55)	(59,561.48)
C. Cash flows from financing activities		
Proceeds from borrowings from others	748.09	763.65
Proceeds from borrowings from related parties	-	459.40
Repayments of borrowings from Bank	(13,182.26)	(784.37)
Repayments of borrowings to Related Parties	-	(2,100.37)
Proceeds from compulsorily convertible preference shares	-	62,210.30
Share issue expenses paid	(1,160.54)	-
Proceeds from equity shares	25,000.00	-
Finance cost paid on CCD conversion	-	(505.19)
Finance costs paid to related parties	-	(162.72)
Finance costs paid to Bank	(346.83)	(1,232.96)
Payment towards lease liabilities	(135.45)	(116.31)
Net cash flows generated/(used) from financing activities (C)	10,923.01	58,531.43
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(352.43)	298.16
Cash and cash equivalents as at beginning of the year	396.10	97.94
Cash and cash equivalents at the end of the year (refer note 13)	43.67	396.10
Reconciliation of cash and cash equivalents as per the statement of cash flows:		
Cash and cash equivalents comprise of the following:		
Cash on hand	0.74	1.24
Balance with banks		
-in current account	42.93	173.77
-in fixed deposit account with original maturity of less than 3 months	-	221.09
Total cash and cash equivalents as at year end	43.67	396.10

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 Kinger
Partner

Membership Number : 105003

Place: Mumbai
Date: April 28, 2026

For and on behalf of the board of directors of

**Leela Palaces Hotels & Resorts Limited (formerly known as 'Schloss Bangalore Limited')
(formerly known as 'Schloss Bangalore Private Limited')**
CIN: L55209DL2019PLC347492

Anurag Bhatnagar
Whole Time Director
DIN: 07967035

Place: Mumbai
Date: April 28, 2026

Ashank Kothari
Director
DIN: 08565174

Place: Mumbai
Date: April 28, 2026

Ravi Shankar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2026

Jyoti Maheshwari
Company Secretary
Membership no. ACS24469

Place: Mumbai
Date: April 28, 2026



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Private Limited")
Standalone 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	201.70
Changes in equity share capital	2,563.17
Balance as at March 31, 2025	2,764.87
Changes in equity share capital	574.71
Balance as at March 31, 2026	3,339.58

Particulars	Equity component of compound financial instruments	Reserves and surplus			Other Equity	Total
		Securities premium	Retained earnings	Retained earnings - fair value as deemed cost		
Balance as at April 01, 2024	603.09	1,691.94	(4,015.64)	1,270.04	-	(1,053.66)
Profit for the year			342.35			342.35
Other comprehensive income for the year, net of tax			2.25			2.25
Total	603.09	1,691.94	(3,671.04)	1,270.04	-	(709.06)
(Loss) on account of settlement of compound financial instruments	-	-	-	-	(113.53)	(113.53)
Changes during the year	(603.09)	61,149.88	-	-	335.59	61,149.88
Residual value at inception of CCPS (refer note 17)	55,761.16	-	-	-	-	56,096.75
Loss on account of remeasurement of CCPS (refer note 18)	(55,761.16)	-	-	-	-	(55,761.16)
Balance as at March 31, 2025	-	62,841.82	(3,671.04)	1,270.04	222.06	60,662.88
Balance as at April 01, 2025	-	62,841.82	(3,671.04)	1,270.04	222.06	60,662.88
Profit for the year			2,757.91			2,757.91
Other comprehensive income for the year, net of tax			3.69			3.69
Total	-	62,841.82	(909.44)	1,270.04	222.06	63,424.48
Issue of equity shares on listing (Refer note 45)	-	24,425.29	-	-	-	24,425.29
Less : Share Issue expenses		(918.80)	-	-	-	(918.80)
Balance as at March 31, 2026	-	86,348.31	(909.44)	1,270.04	222.06	86,930.97

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

For and on behalf of the board of directors of
Leela Palaces Hotels & Resorts Limited (formerly known as 'Schloss Bangalore Private Limited')
 (formerly known as 'Schloss Bangalore Private Limited')
 CIN: L55209DL2019PLC347492

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

Anuraag Chhatnagar
 Whole Time Director
 DIN: 07967035
 Place: Mumbai
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 Chief Financial Officer
 Place: Mumbai
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 Company Secretary
 Membership no. ACS24469
 Place: Mumbai
 Date: April 28, 2026



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated)

1 Company information

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

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.

(i) 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 April 28, 2026.

2.2 Critical Accounting estimates and judgements

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

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

- Impairment Testing: Property, plant and equipment and other intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer Note 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 32 for further details.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss. Refer Note 32 for further details.

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

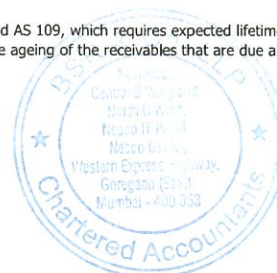
The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. Refer Note 33 for further details.

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

- Fair value Measurement of Financial Instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible. Refer Note 34 for further details.

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

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



2.3 Current / Non-current classification

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

Assets

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

Current assets include the current portion of non-current assets

All other assets are classified as non-current.

Liabilities

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

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

Operating cycle

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

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

2.4 Material Accounting Policies

a) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is Indian Rupee.

(ii) Transactions and balances

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

(iii) Subsequent measurement

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

b) Cash flow statement

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

b1) Cash and cash equivalents

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

c) Earnings per share

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

d) Revenue recognition and other income

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

Income from operations-

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

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

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

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

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

A contract liability is recognised where the customer has paid in advance, but the services are yet to be rendered by the Company or the payment exceeds the services. 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.



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Space and Shop Rentals

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

Interest income

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

e) Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

f) Intangible assets

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

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

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

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

g) Investment properties

Investment properties, principally office buildings, are held for long-term rental yields and are not occupied by the Company. They are carried at cost. Investment properties are depreciated using the straight-line method to allocate the cost of assets over their estimated useful lives. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties generally have useful lives of 60 years for building and land is not depreciated. The useful lives have been taken as per schedule II. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised only when future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Refer Note 3 & 5 for further details.



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h) Impairment of assets

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

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

i) Taxation

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

Current tax

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

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

Deferred tax

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

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

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

j) Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, short term compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits (including compensated absences) expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period of rendering of service by the employee. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Long term employee benefits

Defined contribution plans

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

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.

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.

k) Inventories

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



l) Provisions, contingent liabilities and contingent assets

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

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

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

m) Financial instruments

(i) Classification

The company classifies its financial assets in the following measurement categories

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

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

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

(ii) Recognition

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

(iii) Measurement

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

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

-Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

-Equity instruments

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

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

Compound financial instruments

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

Trade and other receivables

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

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 recognised 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 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.



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Gain or loss on derecognition

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

Impairment of financial assets

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

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

Offsetting of financial asset and liabilities

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

n) Leases

i. As a lessee

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

Right of use assets

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

Lease Liabilities

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

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

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 straight-line basis over the lease term.

Disclosure of lease liabilities and assets in balance sheet

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

ii. As a lessor

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

iii. Classification of lease

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

o) Borrowing costs

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

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



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2.6 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 company 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 Company'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

The Company 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.

2.7 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.

The Company does not expect this amendment to have an impact on its operations or financial statements.



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Notes to standalone 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 (including windmill) *	Furniture and fixtures	Office equipment	Computers and data processing units	Vehicles	Total	Capital work-in-progress
Gross carrying amount as at April 01, 2024	4,099.06	7,375.98	705.83	114.02	0.71	33.66	53.73	12,382.99	234.58
Additions	210.63	-	96.08	60.68	-	3.90	-	371.29	699.95
Disposals/transfers	-	-	0.99	-	-	-	-	0.99	371.29
Gross carrying amount as at March 31, 2025	4,309.69	7,375.98	800.92	174.70	0.71	37.56	53.73	12,753.29	563.24
Accumulated depreciation As at April 01, 2024	175.80	-	146.86	15.43	0.65	20.10	30.79	389.63	-
Charge for the year	98.90	-	62.30	18.89	0.03	10.67	12.88	203.66	-
Disposals	-	-	0.99	-	-	-	-	0.99	-
Accumulated depreciation as at March 31, 2025	274.70	-	208.17	34.32	0.68	30.77	43.67	592.30	-
Net carrying amount as at March 31, 2025	4,034.99	7,375.98	592.75	140.38	0.03	6.79	10.06	12,160.99	563.24
Gross carrying amount As at April 01, 2025	4,309.69	7,375.98	800.92	174.70	0.71	37.56	53.73	12,753.29	563.25
Additions# / transfers**	1,049.26	1,491.27	270.34	188.20	-	15.51	-	3,014.58	1,469.12
Disposals	-	-	6.06	0.05	0.03	0.49	-	6.63	1,314.83
Gross carrying amount as at March 31, 2026	5,358.95	8,867.25	1,065.20	362.85	0.68	52.58	53.73	15,761.24	717.54
Accumulated depreciation As at April 01, 2025	274.70	-	208.17	34.32	0.68	30.77	43.67	592.30	-
Charge for the year	116.97	-	70.53	30.78	0.03	6.41	9.62	234.34	-
Disposals / transfers**	(15.62)	-	4.37	0.04	0.03	0.47	-	(10.71)	-
Accumulated depreciation as at March 31, 2026	407.29	-	274.33	65.06	0.68	36.71	53.29	837.35	-
Net carrying amount as at March 31, 2026	4,951.66	8,867.25	790.87	297.79	-	15.87	0.44	14,923.89	717.54

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

Includes interest capitalised amounting to Rs.48.28 millions for March 31, 2026 (Rs. 20.18 millions for March 31, 2025).

** During the year ended March 31, 2026, there has been a change in the operational use of investment property to generate core business income, in accordance with the principles laid out in Ind AS 16. Refer Note 6.

I) Property, plant and equipment

Freehold land and building were provided as collateral security against the term loans availed by the Company, it has been released during the year on repayment of borrowings(Refer Note 18)

Contractual Obligations: Refer Note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.



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II) Capital work in progress

Capital work-in-progress mainly comprises renovations of hotel and investment property in India.
 There are no projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

Ageing of Capital Work in progress

As at March 31, 2026

	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	453.41	247.50	14.27	2.36
Projects temporarily suspended	-	-	-	-
				717.54

As at March 31, 2025

	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	451.38	106.37	5.50	-
Projects temporarily suspended	-	-	-	-
				563.25



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

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

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4 Leases

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

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

Particulars	As at March 31, 2026	As at March 31, 2025
Right-of-use assets		
- Building	2,535.75	2,398.14
- Plant and machinery	6.34	7.11
	2,542.09	2,405.25

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities		
Lease liabilities - Current	-	-
Lease liabilities - Non Current	2,371.92	2,100.88
	2,371.92	2,100.88

Additions to right-of-use assets for the year ended March 31, 2026 was Rs. 201.11 millions on account of new leases or additional security deposit paid for the existing leases (March 31, 2025 - Rs. 215.39 millions).

(ii) Amounts recognized in statement of profit and loss

Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation charge of right-of-use assets (Refer Note 29)		
- Building	63.51	57.88
- Plant and machinery	0.76	0.76
Interest expense (included in finance costs)	231.39	201.78

Total cash outflow for leases for the year ended March 31, 2026 is Rs.135.45 millions (March 31, 2025 Rs.116.31 millions)

(iii) Extension and termination options

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

(iv) Critical judgements in determining the lease term:

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



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

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

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

5 Other Intangible assets and goodwill

Particulars	Computer software	Right to access the parking space	Total	Goodwill
Gross carrying amount				
as at April 01, 2024	7.51	402.80	410.31	757.20
Additions	0.24	-	0.24	-
Disposals	-	-	-	-
Gross carrying amount as at March 31, 2025	7.75	402.80	410.55	757.20
Accumulated amortisation				
As at April 01, 2024	3.68	14.02	17.70	-
Charge for the year	1.65	7.00	8.65	-
Disposals	-	-	-	-
Accumulated depreciation as at March 31, 2025	5.33	21.02	26.35	-
Net carrying amount as at March 31, 2025	2.42	381.78	384.20	757.20
Gross carrying amount				
As at April 01, 2025	7.75	402.80	410.55	757.20
Additions	4.49	-	4.49	-
Disposals/adjustments	-	-	-	-
Gross carrying amount as at March 31, 2026	12.24	402.80	415.04	757.20
Accumulated amortisation				
As at April 01, 2025	5.33	21.02	26.35	-
Charge for the year	1.96	7.00	8.96	-
Disposals/adjustments	-	-	-	-
Accumulated depreciation as at March 31, 2026	7.29	28.02	35.31	-
Net carrying amount as at March 31, 2026	4.95	374.78	379.73	757.20

(i) Intangible assets

(i) Other intangible assets pledged as Security: Refer to Note 18 for information on other intangible assets pledged as security by the Company.

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

Impairment testing

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

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

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

The carrying amount of goodwill is Rs. 757.20 millions (March 31, 2025 - Rs. 757.20 millions). The estimated value-in-use of this CGU is based on the future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and a discount rate (pre-tax) of 12.50% p.a. An analysis of the sensitivity of the computation to a change in key parameters (EBITDA, discount rates and terminal value), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.



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6 Investment properties

	As at March 31, 2026	As at March 31, 2025
(i)		
Gross carrying amount (measured at cost)		
Opening gross carrying amount	1,699.35	1,699.35
Additions	-	-
Disposals	-	-
Transfer to property, plant and equipment*	(1,699.35)	-
Closing gross carrying amount	-	1,699.35
Accumulated depreciation		
Opening accumulated depreciation	15.62	10.42
Charge for the year	-	5.20
Transfer to property, plant and equipment*	(15.62)	-
Closing accumulated depreciation	-	15.62
Net carrying amount	-	1,683.73

*During the year ended March 31, 2026, there has been a change in the operational use of investment property to generate core business income, in accordance with the principles laid out in Ind AS 16.

(ii) Investment properties under construction

	As at March 31, 2026	As at March 31, 2025
Opening Balance	296.11	-
Additions during the year#	-	296.11
Transferred to CWIP	(296.11)	-
Total	-	296.11

Includes interest capitalised amounting to Nil for March 31, 2026 (March 31, 2025 Rs.9.63 millions)

(iii) Amounts recognised in profit or loss for investment properties

Particulars	As at March 31, 2026	As at March 31, 2025
Rental income from operating leases	-	227.31
Direct operating expenses from property that generated rental income	-	(44.45)
Direct operating expenses from property that did not generate rental income	-	(2.96)
Profit from investment properties before depreciation	-	179.90
Depreciation	-	5.20
Profit from investment properties	-	174.70

(iv) Contractual obligations

See note 33 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

(v) Leasing arrangements

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

Minimum lease payments receivable on leases of investment properties are as follows-

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	-	202.83
Between 1 and 2 years	-	219.48
Between 2 and 3 years	-	125.23
Between 3 and 4 years	-	42.68
Between 4 and 5 years	-	39.23
Later than 5 years	-	118.13

(vi) Fair value

Particulars	As at March 31, 2026	As at March 31, 2025
Investment properties	-	3,505.11

(vii) Estimation of fair value

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

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

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

Ageing of investment properties under construction

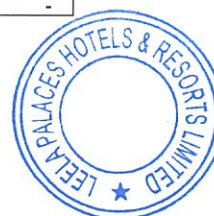
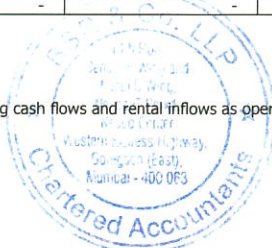
(viii) As on March 31, 2025

	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	296.11	-	-	-	296.11
Projects temporarily suspended	-	-	-	-	-

As on March 31, 2026 there are no Investment properties under Construction

(ix) Presenting cash flows

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



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7 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in equity instruments (unquoted) (measured at FVTPL)		
18,600 equity shares of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	0.19	0.19
111,023,070 CCPS of Rs. 10 each in Schloss Chanakya Private Limited	1,924.83	1,250.90
47,780,000 redeemable preference share of USD 1 each in Aries Holding (DIFC) Limited	4,507.55	-
46,968,333 CCPS of Rs.1 each in Buildminds Real estate Private Limited	21.64	4.14
Investment in subsidiaries (unquoted) (measured at cost)		
36,792,597 equity shares of Rs. 10 each fully in Schloss HMA Private Limited	12,153.33	12,153.33
31,239,130 equity shares of Rs. 10 each fully in Schloss Chennai Private Limited	10,110.86	10,110.86
111,023,076 equity shares of Rs. 10 each fully in Schloss Chanakya Private Limited	11,450.92	11,450.92
10,000 equity shares of Rs. 10 each fully in Schloss Gandhinagar Private Limited	18.52	18.52
2,728,130 equity shares of Rs. 10 each fully in Leela Agra Resorts Limited (formerly known as Leela Palaces and Resorts Limited)	1,742.81	1,742.81
1,000 equity shares of Rs. 10 each fully in Schloss Tadoba Private Limited	0.01	0.01
522,942 equity shares of Rs. 10 each fully in Inside India resorts Private Limited	310.52	302.87
21,860,044 equity shares of Rs. 10 each fully in Anasvish Tiger Camp Private Limited	218.60	209.35
31,667 equity shares of Rs. 10 each fully in Buildminds Real estate Private Limited	0.03	0.03
10,000 equity shares of Rs. 10 each fully in Leela BKC Holdings Limited	-	0.10
(Formerly Known As Transition Cleantech Services Four Private Limited)		
10,000 equity shares of Rs. 10 each fully in Transition Cleantech Services Five Private Limited	0.10	0.10
23,170,000 equity shares of Rs. 10 each fully in Leela Luxe Hotels & Resorts Private Limited	2,312.50	-
50,000 equity shares of Rs. 10 each fully in Leela Nirvana Resorts Private Limited	0.50	-
50,000 equity shares of Rs. 10 each fully in Leela Essence Hospitality Private Limited	0.50	-
50,000 equity shares of Rs. 10 each fully in Leela Opulence Hotels Private Limited	0.50	-
50,000 equity shares of Rs. 10 each fully in Leela Imperial Suite Private Limited	0.50	-
4199 Equity shares of USD 1 each fully paid in Aries Holding (DIFC) Limited	0.01	-
Investment in CCPS of Schloss Chanakya Private Limited (measured at amortised cost)	14,182.73	9,969.96
Investment in CCPS of Buildminds Real estate Private Limited (measured at amortised cost)	25.87	25.87
Investment in Joint Venture (unquoted) (measured at cost)		
6,763,647 equity shares of Rs. 10 each fully in Leela BKC Holdings Limited	675.02	-
(Formerly Known As Transition Cleantech Services Four Private Limited)		
11,997,600 Non-Convertible debentures of Rs. 100 each in Leela BKC holdings Private Limited	1,199.77	-
	60,857.81	47,239.96
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	60,857.81	47,239.96
Aggregate amount of impairment in the value of investments	-	-

The fair value of investments approximates their carrying values.

8 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Fixed deposit with remaining maturity of more than 12 months (refer note (a))	277.86	10,524.11
Margin money deposits with remaining maturity of more than 12 months (refer note (b))	0.47	0.38
Security deposits	38.34	35.36
Interest accrued but not due	92.44	-
Total	409.11	10,559.85
Current		
Other receivables (refer Note 42)	10.69	148.01
Total	10.69	148.01

(a) Out of the above, deposits restricted for withdrawal against loan facility
-Against bank guarantee

- 202.41

(b) Margin money includes:
Against bank guarantee

0.47 0.38



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9 Non 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)	110.54	97.84
Total	110.54	97.84
Movement of Non-current tax assets	As at March 31, 2026	As at March 31, 2025
Opening balance	97.84	74.68
Less: Current tax payable for the year (refer note 32)	(76.72)	-
Add: Taxes paid and Tax deducted at source	89.42	23.16
Closing balance	110.54	97.84

10 Other assets

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Capital advances	46.54	117.20
Prepaid expenses	1.16	3.71
Lease equalisation reserve	87.29	55.98
Deposits with governmental authorities	2.38	-
Total	137.37	176.89
Current		
Balances with government authorities		
- With GST authorities	70.76	99.91
Advance to employees	5.81	4.20
Advance to suppliers	41.20	26.05
Prepaid expenses*	50.32	480.37
Total	168.09	610.53

* Includes eligible expenses incurred in connection with proposed initial public offer of equity shares of the Company amounting to Rs. 441.47 millions for the previous year ended March 31, 2025. Refer Note 45 for further details.

11 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Food and beverages	77.43	66.72
Stores and operating supplies	10.40	8.56
Total	87.83	75.28

1) The amount of Inventories is pledged as security against the Company's borrowings. Refer note 18

2) Inventory written down during the year Rs. Nil (March 31, 2025 - Rs. Nil)

3) Goods in transit: Rs. Nil (March 31, 2025: Rs. Nil)

12 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers – billed	110.23	107.22
Trade receivables from contract with customers – unbilled	18.43	30.15
Trade receivables from contract with customers – related parties (refer Note 42)	45.51	0.08
Less: Loss allowance	(5.26)	(3.03)
Total	168.91	134.42
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	174.17	137.45
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total	174.17	137.45
Less: Loss allowance	(5.26)	(3.03)
Total	168.91	134.42

(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 42.

(iii) For related party balances refer Note 42.

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



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 (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	18.43	-	133.50	-	22.24	-	-	174.17
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	18.43	-	133.50	-	22.24	-	-	174.17
Less: Loss allowance	-	-	-	-	(5.26)	-	-	(5.26)
Net	18.43	-	133.50	-	16.98	-	-	168.91

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	30.15	-	107.30	-	-	-	-	137.45
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	30.15	-	107.30	-	-	-	-	137.45
Less: Loss allowance	-	-	(3.03)	-	-	-	-	(3.03)
Net	30.15	-	104.27	-	-	-	-	134.42



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
 (All amounts are in Rupees in millions except otherwise stated.)

13 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
-in current accounts	42.93	173.77
-in fixed deposits with original maturity of less than 3 months	-	221.09
Cash on hand	0.74	1.24
Total	43.67	396.10

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

14 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 *	1,654.15	373.27
Total	1,654.15	373.27

*Fixed deposits of Rs. 1322.76 millions (March 31, 2025 - Rs. 373.09 millions) is restricted for withdrawal, against bank guarantee, term loans, overdraft facility availed and IPO expenses.



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated.)

15 Loans

Particulars	As at March 31, 2026	As at March 31, 2025
Non Current		
<i>Unsecured considered good, unless otherwise stated:</i>		
Inter Corporate Deposit (ICD) (refer note 42)	11,791.15	-
Total	11,791.15	-
Current		
<i>Unsecured considered good, unless otherwise stated:</i>		
Inter Corporate Deposit (ICD) (refer note 42)	597.03	2,075.72
Total	597.03	2,075.72

Inter corporate deposit has been given to subsidiaries. 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	12,388.18	2,075.72
Total loans	12388.18	2,075.72

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

Particulars	As at March 31, 2026	As at March 31, 2025
a) Repayable after 10 years		
Related parties	11,791.15	-
b) Repayable on Demand		
Related parties	597.03	2,075.72
Total	12,388.18	2,075.72
 % of the total loans outstanding	 100%	 100%



16 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
6,567,500,000 (as at March 31, 2025: 6,567,500,000) equity shares of Rs.10 each	65,675.00	65,675.00
675,000,000 (as at March 31, 2025: 675,000,000) preference shares of Rs. 100 each	67,500.00	67,500.00
Issued, subscribed and paid up		
333,957,878 (March 31 2025: 276,486,614) equity shares of Rs. 10 each, fully paid-up	3,339.58	2,764.87
Total	3,339.58	2,764.87

(i) Movements in share capital

(a) Authorised share capital

Particulars	No. of shares	Amounts
Equity		
As at April 01, 2024	6,75,00,000	675.00
Increase/(decrease) during the year	6,50,00,00,000	65,000.00
As at March 31, 2025	6,56,75,00,000	65,675.00
As at April 01, 2025	6,56,75,00,000	65,675.00
Increase/(decrease) during the year	-	-
As at March 31, 2026	6,56,75,00,000	65,675.00

(b) Issued, subscribed and paid up

Particulars	No. of shares	Amounts
Equity		
As at April 01, 2024	2,01,69,566	201.70
Bonus shares	14,07,88,256	1,407.88
On Conversion of CCD	1,50,27,498	150.27
On Conversion of CCPS	10,05,01,294	1,005.01
As at March 31, 2025	27,64,86,614	2,764.87
As at April 01, 2025	27,64,86,614	2,764.87
Shares issued during the year (refer Note 45)	5,74,71,264	574.71
As at March 31, 2026	33,39,57,878	3,339.58

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/ company having substantial Interest

Particulars	As at March 31, 2026	As at March 31, 2025
Project Ballet Bangalore Holdings (DIFC) Private Limited, (holding company upto May 30, 2025)*	15,29,96,805	17,59,85,315
BSREP III India Ballet Holdings (DIFC) Limited, intermediate holding company	5	5

*Project Ballet Bangalore Holdings (DIFC) Pvt Limited holds substantial interest in the Company w.e.f. May 31, 2025.

From the equity shares held by Project Ballet Bangalore Holdings (DIFC) Private Limited, 1 equity share each were transferred to Project Ballet Chennai Holdings (DIFC) Private Limited, Project Ballet HMA Holdings (DIFC) Private Limited, Project Ballet Gandhinagar Holdings (DIFC) Private Limited, BSREP III Tadoba Holdings (DIFC) Private Limited and Project Ballet Udaipur Holdings (DIFC) Private Limited on various dates to be as nominee share holders to Project Ballet Bangalore Holdings (DIFC) Private Limited during the year ended March 31, 2025.

(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			
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited	15,29,96,805	45.81%	
Project Ballet Chennai Holdings (DIFC) Pvt. Ltd.	1,96,33,814	5.88%	
BSREP III Tadoba Holdings (DIFC) Pvt. Ltd.	4,37,18,481	13.09%	
As at March 31, 2025			
Particulars	Number of shares	Percentage of total number of shares	
Equity Shares			
Project Ballet Bangalore Holdings (DIFC) Pvt. Limited	17,59,85,315	63.65%	
Project Ballet Chennai Holdings (DIFC) Pvt. Ltd.	1,63,34,179	5.91%	
Project Ballet HMA Holdings (DIFC) Pvt. Ltd.	1,96,33,813	7.10%	
BSREP III Tadoba Holdings (DIFC) Pvt. Ltd.	4,37,18,480	15.81%	



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
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(iv) Details of shareholding of promoters and promoter group:

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
Project Ballet Bangalore Holdings (DIFC) Private Limited	15,29,96,805	45.81%	-17.84%
BSREP III India Ballet Holdings (DIFC) Limited	5	0.00%	0.00%
Project Ballet Chennai Holdings (DIFC) Private Limited	1,63,34,180	4.89%	-1.02%
Project Ballet HMA Holdings (DIFC) Private Limited	1,96,33,814	5.88%	-1.22%
Project Ballet Gandhinagar Holdings (DIFC) Private Limited	28,45,443	0.85%	-0.18%
BSREP III Tadoba Holdings (DIFC) Private Limited	4,37,18,481	13.09%	-2.72%
Project Ballet Udaipur Holdings (DIFC) Private Limited	66,87,985	2.00%	-0.42%
BSREP III Joy (Two) Holdings DIFC Limited	1,12,81,396	3.38%	-0.70%
	25,34,98,109	75.91%	-24.09%

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

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

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

17 (a) Equity component of compound financial instruments

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	603.09
Less: Extinguishment of compound financial instruments	-	(603.09)
Residual value at inception of CCPS (refer note 17(b))	-	55,761.16
Loss on account of remeasurement of CCPS	-	(55,761.16)
Closing balance	-	-

17 (b) Reserves and surplus

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium	86,348.31	62,841.82
Retained earnings	(909.44)	(3,671.04)
Retained earnings - fair value as deemed cost	1,270.04	1,270.04
Other equity	222.06	222.06
Total	86,930.97	60,662.88

17 (b) Securities Premium

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	62,841.82	1,691.94
Issue of equity shares on listing (Refer note 45)	24,425.29	-
Share of Issue expenses	(918.80)	-
Utilisation on account of bonus issue	-	(1,407.88)
Addition on account of conversion of CCPS	-	61,205.29
Addition on account of conversion of CCDs	-	1,352.47
Closing balance	86,348.31	62,841.82

17 (b) Retained earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	(3,671.04)	(4,015.64)
Profit for the year	2,757.91	342.35
Other comprehensive income for the year, net of tax	3.69	2.25
Closing balance	(909.44)	(3,671.04)

17 (b) Retained earnings - fair value as deemed cost

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	1,270.04	1,270.04
Add: Additions	-	-
Closing balance	1,270.04	1,270.04



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17 (b) Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	222.06	-
Less: Loss on early conversion of CCD	-	(113.53)
Add: Gain on conversion of CCPS*	-	335.59
Closing balance	222.06	222.06

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

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

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

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

Nature and purpose of reserves:

(i) Equity component of compound financial instrument

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

(ii) Securities premium

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

(iii) Retained earnings

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

(iv) Retained earnings - fair value as deemed cost

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

(v) Other equity

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

18 Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Term Loans:		
- From banks		
Rupee term loan [refer note (A), (C)]	-	12,044.01
Less: Current maturities of long-term borrowings (included in current borrowings)	-	(344.18)
Total	-	11,699.83
Other Loans		
Working capital term loan [refer note (B)]	636.96	1,376.96
Less: Current maturities of long-term borrowings (included in current borrowings)	(500.00)	(502.09)
Total	136.96	874.87
Total	136.96	12,574.70
Current Secured		
Working capital loan [refer note D]	-	352.33
Overdraft [refer note E]	748.09	-
Current maturities of long-term borrowings	500.00	846.27
Total	1,248.09	1,198.60



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

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

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

Notes:

A.1 Term loan from Bank

As at March 31, 2025, The lender has granted a term loan facility under the Common Facility Agreement dated September 30, 2019 to the Company and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. March 29, 2025) and Leela Agra Resorts Limited (formerly known as Leela Palaces and Resorts Limited) (w.e.f. March 29, 2025) for a total amounting to Rs. 27,500.00 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property acquired (Rs. 2,000 millions) fully fungible amongst each of the co-borrowers and the Company's hotel property in Bangalore. The door to door tenure of the loan is 15 years including moratorium of one year. The loan is repayable in 56 quarterly structured installments beginning December 31, 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 loan was repaid from proceeds of Initial Public Offer ('IPO') during the year and is not outstanding as at March 31, 2026.

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

(a) Primary security:

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

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

(b) Other security:

i) Pledge of 30% shares of the Company held by the Project Ballet Bangalore Holdings (DIFC) Private Limited, in favour of security trustee for the benefit of lenders for the entire term loan exposure.

ii) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations. The aforesaid corporate guarantee has been released during the year.

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

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

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

(d) Moratorium on interest:

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

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

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

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

Corporate Term Loan:

The lender has granted a corporate term loan facility under the Agreement dated February 02, 2024 to the Company and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Udaipur Private Limited, Schloss Chanakya Private Limited, Schloss HMA Private Limited (w.e.f. March 29, 2025) and Leela Palaces and Resorts Limited (w.e.f. March 29, 2025) for a total amounting to Rs. 1,500.00 millions for the purpose of ongoing capital expenditure ("capex") of the Company and other co-borrowers. Major portion i.e. 2/3rd portion of the sanctioned loan to be utilized in Schloss Bangalore Limited and remaining 1/3rd will be utilized by Schloss Chanakya Private Limited, Schloss Udaipur Private Limited and Schloss Chennai Private Limited. The rate of interest is 0.10% plus 1 year MCLR i.e. 9.00% p.a., present effective rate is 9.10 % p.a. with monthly rests. The loan was repaid from proceeds of Initial Public Offer ('IPO') during the year and is not outstanding as at March 31, 2026.

(a) Security details: Refer point A.1.a and point A.1.b above.

The loan was repaid during the year ended March 31, 2026.

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

(a) Secondary charge on the below:

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

i. 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).

ii. 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).

iii. 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).

iv. 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).

For the previous year ended March 31, 2025, second charge on securities mentioned in A.1.(a) above.

(b) Other security:

i) Pledge of 30% shares of the Company held by the Project Ballet Bangalore Holdings (DIFC) Private Limited, Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure as at March 31, 2025.

ii) Extension of mortgage on the land situated at Agra owned by Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited") as at March 31, 2025.

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



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
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(All amounts are in Rupees in millions except otherwise stated.)

C Term loan II

The lender had sanctioned a term loan facility under Lease Rental Discounting (LRD) facility under the Master Facility Agreement to the Company, amounting to Rs. 1,100.00 millions for the purpose of acquisition of the Galleria office in Bangalore. The door to door tenure of the loan is 15 years from the date of first disbursement. The loan's repayable tenure is 180 monthly structured installments beginning December 2021. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to monthly and annual reset, plus spread of 0.75%. The loan was repaid from proceeds of Initial Public Offer ("IPO") during the year and is not outstanding as at March 31, 2026. The rate of interest as on March 31, 2025 was 9.75 % p.a. with monthly rests.

(a) Primary Security:

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

(b) Collateral Security:

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

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

(c) Exclusive charge as Lien on 3 months DSRA

(d) Exclusive charge on Escrow account

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

D Working capital loan

The lender has granted a working capital facility as per Agreement dated August 11, 2020 to the Company and co-borrowers i.e. Schloss Chennai Private Limited, Schloss Chanakya Private Limited, Schloss Udaipur Private Limited, Schloss HMA Private Limited (w.e.f. March 29, 2025) and Leela Palaces and Resorts Limited (w.e.f. March 29, 2025) for a total amounting to Rs. 1,000 millions to meet the working capital requirement and it is repayable on demand. The loan carries interest rate linked to lender's six monthly marginal cost of funds based lending rate ("MCLR") plus 0.20%, subject to monthly rest. The loan was repaid during the year and is not outstanding as at March 31, 2026. The rate of interest as on March 31, 2025 was 9.10% p.a.

E Overdraft

The lender has granted the Company an overdraft facility as per agreement dated January 30, 2026 against pledged securities as mentioned below:

(a) Interest rate: The rate of interest as at March 31, 2026 is 7.75% p.a.

(b) Pledged securities: Fixed Deposits amounting to Rs. 1,034.00 millions has been pledged against overdraft facilities availed during the year March 31, 2026

(c) The Company has used the borrowings for the purpose of which it was obtained.

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	(43.67)	(396.10)
Borrowings	1,385.05	13,773.30
Lease liabilities	2,371.92	2,100.88
Closing balance	3,713.30	15,478.08

Particulars	Cash and cash equivalents	Borrowings	Lease liabilities	Total
Net debt as at April 01, 2024	97.94	16,746.07	1,824.15	18,472.28
Interest expense	-	1,710.67	201.78	1,912.45
Addition on account of new lease	-	-	191.26	191.26
Cash flows	298.16	60,043.41	-	59,745.25
Interest paid	-	(1,395.68)	(116.31)	(1,511.99)
Impact of early conversion of CCD	-	(1,456.46)	-	(1,456.46)
Impact of conversion of CCPS	-	(61,874.71)	-	(61,874.71)
Net debt as at March 31, 2025	396.10	13,773.30	2,100.88	15,478.08
Interest expense	-	383.10	231.39	614.49
Addition on account of new lease	-	-	175.10	175.10
Cash flows	(352.43)	(12,434.17)	-	(12,081.74)
Interest paid	-	(337.18)	(135.45)	(472.63)
Net debt as at March 31, 2026	43.67	1,385.05	2,371.92	3,713.30



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

Particulars		Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
	Undisputed Trade Payables							
(i)	Micro enterprises and small enterprises	-	-	9.59	-	-	-	9.59
(ii)	Others	96.80	-	129.14	0.49	-	-	226.43
								-
	Disputed Trade Payables							
(i)	Micro enterprises and small enterprises	-	-	-	-	-	-	-
(ii)	Others	-	-	-	-	-	-	-
	Total	96.80	-	138.73	0.49	-	-	236.02



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated.)

20 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Security deposits	85.99	67.10
Total	85.99	67.10
Current		
Capital creditors	62.09	34.24
Employee dues payable	73.22	44.28
Others	-	22.46
Total	135.31	100.98

21 Other liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Deferred income on fair valuation of security deposits	26.76	10.97
Total	26.76	10.97
Current		
Contract Liability		
Advance from customers	71.43	103.17
Deferred revenue - membership fee	14.20	14.62
Deferred income on fair valuation of security deposits	8.85	6.52
Statutory dues payable		
Provident fund payable	4.55	4.12
Employee state insurance payable	0.20	0.25
Professional tax payable	0.10	0.09
GST Payable	72.61	-
Tax deducted at source and equalisation levy payable	16.42	15.33
Total	188.36	144.10

22 Deferred Tax Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities (net)	558.46	236.36
Total	558.46	236.36

23 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Provision for employee benefits:		
- Compensated absences	14.47	7.42
- Gratuity	17.54	27.10
Total	32.01	34.52
Current		
Provision for employee benefits:		
- Compensated absences	2.20	1.30
- Gratuity	24.03	5.32
Total	26.23	6.62

Refer Note 33 for details.



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

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

24 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	1,718.70	1,592.14
(b) Sale of services:		
Room income	2,184.10	1,947.72
Other allied services*	471.84	211.25
Total Revenue from operations	4,374.64	3,751.11

* 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	4,374.64	3,751.11
Adjustments	-	-
Revenue from operations	4,374.64	3,751.11

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 no customer which accounts for 10% or more of total revenue or total trade receivables as at March 31, 2026 and March 31, 2025.

It also includes membership fee received for food and beverage based memberships programme and disclosed as Income received in advance.

The Company has recorded revenue of Rs. 117.79 millions (For the year ended March 31, 2025: Rs. 60.25 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	71.43	103.17
Deferred revenue - membership fee	14.20	14.62
Total contract liabilities	85.63	117.79

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 period.

(i) Significant changes in contract liabilities

	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract liabilities		
Opening balance	117.79	60.25
Movement during the year	85.63	117.79
Revenue recognised that was included in the contract liability balance at the beginning of the year	(117.79)	(60.25)
Closing balance	85.63	117.79

Timing of recognition	For the year ended March 31, 2026		For the year ended March 31, 2025	
Particulars	At a point in time	Over time	At a point in time	Over time
Room revenue	-	2,184.10	-	1,947.72
Revenue from foods and beverages	1,718.70	-	1,592.14	-
Other allied services (laundry income, health club income, guest transfer)	182.74	268.16	190.49	-
Other allied services (membership fees)	-	20.94	-	20.76
Total	1,901.44	2,473.20	1,782.63	1,968.48



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

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

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

25 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on:		
- Deposits with banks	430.82	423.84
- Security deposits	0.29	0.27
- Intercompany deposit	1,084.45	223.62
- Non-Convertible Debentures	92.44	
- Others	-	0.89
Interest income on income tax refund	7.06	1.99
Income from rentals*	-	227.31
Miscellaneous income	-	14.62
Total Other income	1,615.06	892.54

*During the year ended March 31, 2026, there has been a change in the operational use of investment property to generate core business income, in accordance with the principles laid out in Ind AS 16.

Other gains/(losses)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net foreign exchange differences	304.61	(0.59)
Net gain/(loss) on disposal of property, plant and equipment	(1.71)	0.79
Net fair value gains on financial asset mandatorily measured at fair value through profit or loss	187.21	97.85
Total Other gains/(losses)	490.11	98.05
Total	2,105.17	990.59

26 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	66.72	71.62
Add : Purchases (Net)	303.73	305.71
Less : Inventories at the end of the year	(77.43)	(66.72)
Cost of food and beverages consumed during the year	293.02	310.61

27 Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	505.28	543.33
Contribution to provident and other funds (Refer note 33)	27.92	24.96
Staff welfare expenses	87.83	19.72
Gratuity (Refer note 33 and 44)	7.59	4.75
Compensated absences (Refer note 33 and 44)	10.06	1.16
Total Employee benefits expense	638.68	593.92

28 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on:		
- Rupee term loan	367.68	1,206.06
- Working capital loan	5.56	27.64
- Liability component of compound financial instruments	-	44.77
- Inter corporate deposit	-	93.58
- Compulsory convertible preference shares	-	335.59
- Lease liabilities and others	231.39	201.78
- Bank overdraft	9.86	-
- Security deposit	8.00	5.77
- Others	0.64	-
Other borrowing costs	1.77	2.94
	624.90	1,918.13
Less: Amount capitalised to property, plant and equipment (see note below)	(48.28)	(20.18)
Less: Amount capitalised in Investment property (see note below)	-	(9.63)
Total Finance costs	576.62	1,888.32

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year in this case is 9.1% (March 31, 2025: 9.1% p.a.).



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

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

29 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	234.34	203.66
Depreciation on right-of-use assets	64.27	58.64
Depreciation on investment property	-	5.20
Amortisation on intangible assets	8.96	8.65
Total	307.57	276.15

30 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and operating supplies	69.30	55.57
Power and fuel	82.37	77.56
Repairs and maintenance		
- buildings	39.85	26.79
- plant and machinery	32.60	30.44
- others	49.84	41.92
Insurance	10.52	10.72
Communication	3.39	3.25
Travelling and conveyance	17.42	18.53
Guest transport	17.38	18.53
Printing and stationary	6.28	5.22
Sales and credit card commission	113.56	90.12
Business promotion	183.63	182.61
Management fees (refer note 42)	336.26	293.08
Legal and professional fees	62.79	57.44
Payment to auditors (Refer note below)	9.29	2.20
Rates and taxes	64.94	58.66
Bank charges	1.11	2.53
Corporate social responsibility expenses (Refer Note 31)	1.34	-
Reservation fee	30.55	-
Net Impairment losses on financial assets	2.23	(1.14)
Non executive director fees	6.49	2.90
Miscellaneous expenses	109.14	117.82
Total Other expenses	1,250.28	1,094.75

30 (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	9.29	2.10
- Out of pocket expenses	-	0.10
- Other service fee	-	-
Total	9.29	2.20



31 Corporate Social Responsibility

a. Gross amount required to be spent by the company during the year towards its Corporate Social Responsibility (CSR) is Rs. 1.34 millions (March 31, 2025: Rs. Nil)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expenditure towards Corporate Social Responsibility:		
b) Amount spent and paid during the year	1.34	-
Particulars of amount spent and paid during the year:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above:	-	-
- Women Empowerment and Promotion of traditional art and culture	1.34	-
Total	1.34	-

c. Related party transactions in relation to Corporate Social Responsibility: Rs. Nil (March 31, 2025 : Rs Nil)

d. Unspent CSR expenditure incurred during the year: Rs. Nil (March 31, 2025 : Rs Nil)

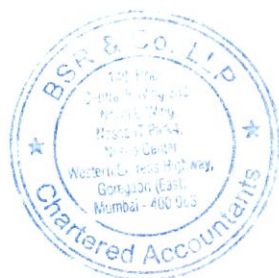
Under Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR), pursuant to its policy in this regard.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent by the Company during the year	1.34	-
b) Amount approved by the Board to be spent during the year	1.34	-
c) Amount spent and paid during the year	1.34	-
Particulars of amount spent and paid during the year:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	-	-
(iii) Health care and community development	1.34	-
Total	1.34	-

Details of non on-going projects	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	-	-
- With the Company	-	-
- In separate CSR Unspent Account	-	-
Amount required to be spent during the year	1.34	-
Amount spent during the year	1.34	-
- From company's bank account	1.34	-
- From separate CSR Unspent Account	-	-
Closing Balance	-	-
- With the company	-	-
- In separate CSR Unspent Account	-	-

* The company was not required to spend any amount towards CSR during the year ended March 31, 2025 as it does not fall under the threshold as per Section 135 of Companies Act, 2013.

Nature of CSR activities - Promoting art and culture, environment sustainability, healthcare, rural development projects , children's support, tree plantation and development and sanitation and hygiene.



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

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

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

32 Taxation

32(a) Taxation for the year

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity (if any) and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group'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	76.72	-
Tax impact of earlier years	-	-
Total current tax expenses	76.72	-
Deferred tax		
Decrease/ (Increase) in deferred tax assets	391.28	151.18
(Decrease)/ Increase in deferred tax liabilities	172.57	85.18
Total deferred tax expenses/(credit)	563.85	236.36
Income tax expense	640.57	236.36
Income tax expense/(credit) attributable to :		
Profit/(loss) from operations	639.33	235.60
OCI	1.24	0.76
Total	640.57	236.36

(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	3,397.24	577.95
Tax rate	25.17%	25.17%
Tax at India tax rate	855.02	145.46
Tax effect of amounts which are not deductible / taxable in calculating taxable income		
IPO expense allowable in Income tax	(50.34)	11.27
Interest on moratorium allowable on payment basis	(107.87)	-
Disallowance of interest on CCPS	-	84.46
Fair value gain/(loss) on Investments	(47.12)	-
Others	(9.13)	(4.83)
Total	640.57	236.36

32(b) Taxation as at the year end

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

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2026	As at March 31, 2025
A) Deferred tax assets		
Unabsorbed depreciation / business loss (Refer note below)	30.71	502.02
Provision for employee benefits	25.76	21.46
Loss allowance	1.32	0.76
Lease liability	596.96	528.75
Deferred revenue	5.80	5.32
Security deposits given	50.20	43.73
Share Issue expenses	241.75	-
Security deposit received	6.73	-
	959.24	1,102.04
B) Deferred tax liability		
Property, plant and equipment and intangible assets	(769.62)	(707.25)
Right of use of asset	(639.79)	(605.35)
Borrowings	-	(9.28)
Security deposits received	-	(2.43)
Lease equalisation reserve	(21.97)	(14.09)
Investments	(76.81)	-
Others	(9.52)	-
	(1,517.71)	(1,338.40)
Net deferred tax asset/(liability)	(558.47)	(236.36)



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
 (All amounts are in Rupees in millions except otherwise stated.)

32 Taxation (Cont.)

Movement in deferred tax liabilities/assets

Movement in Deferred Tax for the period 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)	Addition on account of business combination*	Balance as at March 31, 2026
Deferred tax assets						
Unabsorbed depreciation / business loss	502.02	471.31	-	-	-	30.71
Deferred revenue	5.32	(0.48)	-	-	-	5.80
Security Deposit paid	43.73	(6.47)	-	-	-	50.20
Loss Allowance on trade receivable	0.76	(0.56)	-	-	-	1.32
Provision for employee benefits	21.46	(5.54)	1.24	-	-	25.76
Lease liability	528.75	(68.21)	-	-	-	596.96
Share issue expense	-	-	-	(241.75)	-	241.75
	1,102.04	390.04	1.24	(241.75)	-	952.51
Deferred tax liability						
Property, plant and equipment and intangible assets (including goodwill)	(707.24)	62.38	-	-	-	(769.62)
Security deposit received	(2.44)	(9.17)	-	-	-	6.73
Right of use of asset	(605.35)	34.44	-	-	-	(639.79)
Lease equalisation reserve	(14.09)	7.88	-	-	-	(21.97)
Borrowings	(9.28)	(9.28)	-	-	-	-
Investments	-	76.81	-	-	-	(76.81)
Others	-	9.52	-	-	-	(9.52)
	(1,338.40)	172.57	-	-	-	(1,510.97)
Total Deferred tax asset/(Liability)	(236.36)	562.61	1.24	(241.75)	-	(558.46)



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

Movement in Deferred Tax for the period 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)	Addition on account of business combination*	Balance as at March 31, 2025
Deferred tax assets						
Unabsorbed depreciation / business loss	738.32	236.30	-	-	-	502.02
Deferred revenue	2.95	(2.37)	-	-	-	5.32
Borrowings	-	-	-	-	-	-
Security deposit paid	37.72	(6.01)	-	-	-	43.73
Loss Allowance on trade receivable	1.05	0.29	-	-	-	0.76
Provision for employee benefits	14.07	(8.15)	0.76	-	-	21.46
Lease liability	459.10	(69.65)	-	-	-	528.75
	1,253.21	150.42	0.76	-	-	1,102.04
Deferred tax liability						
Property, plant and equipment and intangible assets (including goodwill)	(663.78)	43.47	-	-	-	(707.25)
Security deposit	(0.77)	1.66	-	-	-	(2.43)
Right of use of asset	(565.90)	39.45	-	-	-	(605.35)
Lease equalisation reserve	(12.51)	1.58	-	-	-	(14.09)
Borrowings	(10.26)	(0.98)	-	-	-	(9.28)
	(1,253.21)	85.18	-	-	-	(1,338.40)
Total Deferred tax asset/(Liability)	-	235.60	0.76	-	-	(236.36)



33 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 year.

The expense of compensated absences (non-funded) for the year ended March 31, 2026 amounting to Rs. 10.06 millions (March 31, 2025: Rs. 1.16 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 Group 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. 27.92 millions (March 31, 2025: Rs. 24.96 millions)

Gratuity - Defined benefit plan

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

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

Amounts recognised in statement of profit and loss:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined contribution plans		
- Employer's contribution to provident and other funds	27.92	24.96
Total	27.92	24.96

Defined benefit plans

- Gratuity (including exceptional item)

Total	23.99	4.75
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Amounts recognised in other comprehensive income:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurements for:		
- Gratuity	4.94	3.01
Total	4.94	3.01

Gratuity plan

	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of defined benefit obligation	56.47	38.45
Fair value of plan assets	14.90	6.03
Net define benefit obligation	(41.57)	(32.42)
Present value of funded defined benefit obligations	-	-
Impact of minimum funding requirement/asset	-	-
Net defined benefit liability recognised in the Balance Sheet	(41.57)	(32.42)

Net defined benefit liability is bifurcated as follows:

Current	24.03	5.32
Non-current	17.54	27.10

	Present value of obligations	Fair value of plan assets	Net amount
As at April 01, 2024	37.48	8.04	29.45
Current service cost	4.93	-	4.93
Past service cost including curtailment gains/losses	(2.31)	-	(2.31)
Interest expense/ (income)	2.72	-	2.72
Total amount recognised in profit or loss	5.34	-	5.34
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.57)	0.57
- (Gain)/ loss from change in demographic assumptions	0.16	-	0.16
- (Gain)/ loss from change in financial assumptions	0.46	-	0.46
- Experience (gains)/ losses	(3.63)	-	(3.63)
Total amount recognised in other comprehensive income	(3.01)	(0.57)	(3.58)
Transfer/Acquisition adjustment	1.22	-	1.22
Benefit payments	(2.58)	(2.58)	-
For the year ended March 31, 2025	38.45	6.03	32.42



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

As at April 01, 2025	38.45	6.03	32.42
Acquired as part of business combination	-	-	-
Current service cost	5.04	-	5.04
Past service cost including curtailment gains/losses	16.40	-	16.40
Interest expense/ (income)	3.12	0.57	2.55
Total amount recognised in profit or loss	24.56	0.57	23.99
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.23	(0.23)
- (Gain)/ loss from change in demographic assumptions	-	-	-
- (Gain)/ loss from change in financial assumptions	(0.75)	-	(0.75)
- Experience (gains)/ losses	(3.96)	-	(3.96)
Total amount recognised in other comprehensive income	(4.71)	0.23	(4.94)
Transfer/Acquisition adjustment	-	-	-
Employer contributions	-	9.90	(9.90)
Benefit payments	(1.83)	(1.83)	-
For the year ended March 31, 2026	56.47	14.90	41.57

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%	8.00%
Retirement age	62	62
Mortality rates inclusive of provision for disability	IALM(2012-14)	IALM(2012-14)
Attrition at Ages		
- Up to 30 Years	30.00%	30.00%
- From 31 to 44 years	25.00%	25.00%
- Above 44 years	2.00%	2.00%

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

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 period	56.47	38.45
Impact due to increase of 0.50%	(1.93)	(1.10)
Impact due to decrease of 0.50%	2.06	1.16
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	56.47	38.45
Impact due to increase of 0.50%	1.56	0.93
Impact due to decrease of 0.50%	(1.53)	(0.90)

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: 3.84 years).

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	7.20	4.38	12.88	22.92	47.39
Total	7.20	4.38	12.88	22.92	47.39
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	6.31	2.70	9.98	19.46	38.45
Total	6.31	2.70	9.98	19.46	38.45

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.



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

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

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

34 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)	6,454.21	-	-	6,454.21
Loans	-	-	12,388.18	12,388.18
Trade receivables	-	-	168.91	168.91
Cash and cash equivalents	-	-	43.67	43.67
Bank balances other than cash and cash equivalents	-	-	1,654.15	1,654.15
Other financial assets	-	-	419.80	419.80
Total financial assets	6,454.21	-	14,674.71	21,128.92

Financial liabilities				
Borrowings	-	-	1,385.05	1,385.05
Trade payables	-	-	276.16	276.16
Lease liabilities	-	-	2,371.92	2,371.92
Other financial liabilities	-	-	221.30	221.30
Total financial liabilities	-	-	4,254.43	4,254.43

As at March 31, 2025

	Carrying amount			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
At FVTPL				
Investments (Level 3)	1,255.23	-	-	1,255.23
At amortised cost				
Loans	-	-	2,075.72	2,075.72
Trade receivables	-	-	134.42	134.42
Cash and cash equivalents	-	-	396.10	396.10
Bank balances other than cash and cash equivalents	-	-	373.27	373.27
Other financial assets	-	-	10,707.86	10,707.86
Total financial assets	1,255.23	-	13,687.37	14,942.60

Financial liabilities				
Borrowings	-	-	13,773.30	13,773.30
Trade payables	-	-	236.02	236.02
Lease liabilities	-	-	2,100.88	2,100.88
Other financial liabilities	-	-	168.08	168.08
Total financial liabilities	-	-	16,278.28	16,278.28

The above excludes investments in subsidiaries, joint ventures and associates amounting to Rs. 48,316.03 millions (March 31, 2025: Rs.45,988.82 millions). Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements).

The carrying amounts of trade receivables, cash and cash equivalents, fixed deposits with banks, 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, lease liability are fair valued using the current borrowing rate for similar instruments on similar terms. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

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

The current lending rate and the rate used in determination of fair value at inception for 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.

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.



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.

- 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.

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.

Trade receivables

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.

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

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	3.03	4.17
Impairment losses (recognised)/ reversed on receivables	2.23	(1.14)
Amounts written off during the year	-	-
Balance at the end of the year	5.26	3.03

B. Liquidity risk

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.

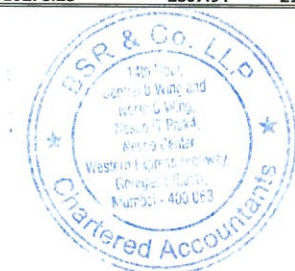
The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed interest rate	-	-
Floating interest rate	234.21	770.27
Total	234.21	770.27

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

As at March 31, 2026	Carrying amount	Less than 1 Year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Borrowings	1,385.05	1,240.07	179.73	-	-	1,419.80
Lease liabilities	2,371.92	142.22	149.33	494.31	16,156.08	16,941.95
Trade payables	276.16	276.16	-	-	-	276.16
Other financial liabilities	221.30	135.31	60.92	21.69	41.37	259.29
Total financial liabilities	4254.43	1793.76	389.98	516.00	16197.45	18897.19

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



C. Market risk

(a) Foreign currency risk

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

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	2,12,948.62	20.16
Trade payables	SGD	-	-
Trade payables	GBP	-	-
Total exposure			20.16
Less: exposure hedged			(20.16)
Unhedged exposure			-

As at March 31, 2025			
	Foreign Currency Denomination	Foreign Currency Amount (absolute)	Amount (INR in millions)
Liabilities			
Trade payables	EUR	-	-
Trade payables	USD	-	-
Total exposure			-
Less: exposure hedged			-
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.	95.85	27.79	-
Buy	EUR/Rs.	-	-	-
Buy	GBP/Rs.	-	-	-
Buy	SGD/Rs.	-	-	-
Total				-

As at March 31, 2025				
	Currency pair	Average exchange rate	Notional value (Rs. in million)	Fair value
Non-designated				
Buy	USD/Rs.	86.13	20.38	-
Buy	EUR/Rs.	-	-	-
Buy	GBP/Rs.	-	-	-
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
EUR sensitivity		
Rs./ EUR - Increase by 1%*	-	-
Rs./ EUR - Decrease by 1%*	-	-
USD sensitivity		
Rs./ USD - Increase by 1%*	(0.20)	-
Rs./ USD - Decrease by 1%*	0.20	-

*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 following variable rate borrowings outstanding:

As at March 31, 2026			
	Interest rate range	Balance	% of total loans
Overdraft	fixed deposit interest rate + 0.35%	748.09	54%
Working capital term loan	Six month MCLR + spread of 0.2%	636.96	46%

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

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

Cash flow sensitivity analysis for variable rate instruments

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

	As at March 31, 2026	As at March 31, 2025
	Impact on profit after tax	Impact on profit after
Interest sensitivity		
Interest rates – increase by 100 basis points	(13.85)	(137.73)
Interest rates – decrease by 100 basis points	13.85	137.73



36 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	1,385.05	13,773.30
Lease liabilities	2,371.92	2,100.88
Less: Cash and Cash Equivalents	(43.67)	(396.10)
Less: Other Balance with bank (short term deposits)	(1,654.15)	(373.27)
Net Debt	2,059.15	15,104.81
Total equity	90,270.55	63,427.75
Net debt to equity ratio	0.02	0.24

Loan covenants: Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants as disclosed under note 18. The Company has complied with the applicable financial covenants.



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated.)

37 Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the Company not acknowledged as debt, in respect of -		
Disputed statutory liabilities (Note - 2)	167.90	211.84
Total	167.90	211.84

(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	107.25	104.06
(ii) Income Tax	*	*
(iii) Property Tax	-	-
(iii) VAT	51.76	49.69
(iv) GST	8.88	58.09
Total	167.90	211.84

(i) Service tax

Service Tax demands relating to CENVAT credit, classification of services, abatement under rent-a-cab, and taxability of complimentary services were raised against the Company for FY 2007-12 and 2014-16. While all matters, except those relating to taxability of complimentary services, were decided in favour of the Company, all the matters are currently pending before the Hon'ble CESTAT.

(iii) VAT

VAT demand relating to levy on service tax for multiple years was confirmed by the assessing authority and subsequently upheld by the appellate authority. The Karnataka Appellate Tribunal had earlier set aside the order; however, the Hon'ble High Court remanded the matter for fresh adjudication. The Company's Special Leave Petition before the Hon'ble Supreme Court was dismissed with directions to approach the High Court. The matter is currently pending for fresh scrutiny, and no further communication has been received from the authorities to date.

VAT authorities have issued an order demanding reversal of excess input tax credit ('ITC') on account of ITC mismatch. The Company is in the process of filing a rectification application.

(iv) GST

The Company has challenged the assessment order and the show cause notice before the Hon'ble High Court, given that the issues involved are identical in nature. The Hon'ble High Court has granted an interim stay on the operation of the order and show cause notice, which continues as on date. The matter is currently pending adjudication.

GST authorities have raised a demand in multiple matters pursuant to audit proceedings for various financial years. The Company has filed appeals before the appropriate appellate authorities and/or writ petitions before the Hon'ble High Courts. In select matters, interim stay has been granted, while other matters are pending before appellate authorities. Out of total demand Rs.2.3 millions has been paid under protest.

38 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.	376.34	679.85



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

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

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

39 Lease - as a lessor

The company has given on operating leases portion of its building for shops and offices on lease. Income of Rs. 268.16 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	259.50	-
Receivable between one and five years	536.38	-
Receivable more than five years	444.61	-

40 Segment Information

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

No single customer contributes 10% or more of the Company's total revenue for the period ended March 31, 2026 and March 31, 2025.

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



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated.)

41 Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic earnings per share		
Loss for the year (A)	2,757.91	342.35
Weighted average number of equity shares for the purpose of basic earnings per share (B)	32,41,95,636	24,21,44,537
Basic Earnings per equity share C=(A/B) in Rs.	8.51	1.41
Diluted earnings per share		
Profit attributable to the equity holders (A)		
Used in calculating basic earning per share	2,757.91	342.35
Add: Finance cost saved on compulsorily convertible debentures	-	-
Profit/(loss) attributable to the equity holders used in calculating diluted earnings per share:	2,757.91	342.35
Weighted average number of shares used as the denominator (B)		
Opening balance (a)	27,64,86,614	2,01,69,566
Equivalent shares on conversion of CCPS (b)****	-	6,61,59,217
Shares issued during the year (Refer note 15) (b)\$	5,74,71,264	1,25,22,915
Effect of shares issued during the year (c)	4,77,09,022	-
Equivalent shares of CCDs (d)	-	25,04,583
Number of equity shares under bonus issue (4 bonus shares for each equity share)*** (e)	-	14,07,88,256
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (a+c+d+e)	32,41,95,636	24,21,44,537
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*	32,41,95,636	24,21,44,537
Diluted** Earnings per equity share C=(A/B) in Rs.	8.51	1.41

\$ share issued during the year through IPO

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

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

*** The earnings per share reflects the impact of bonus shares issuance in the ratio of 4:1 i.e. 4 bonus shares for each equity share subsequent to balance sheet date.



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2026

42 Related party transactions

A Name of related parties

i List of related parties where control exists and relationships

(i) Company having significant influence

Project Ballet Bangalore Holdings (DIFC) Private Limited (w.e.f. May 31, 2025), (holding company till May 30, 2025)

(ii) Fellow subsidiaries

Schloss HMA Private Limited (upto May 30 2024)
Schloss Chennai Private Limited (upto May 30 2024)
Schloss Udaipur Private Limited (upto May 30 2024)
Schloss Chanakya Private Limited (upto May 30 2024)
Schloss Gandhinagar Private Limited (upto May 30 2024)
Leela Agra resorts Limited (formerly known as Leela Palaces and Resorts Limited) (upto May 30 2024)
Tulsi Palace Resort Private Limited (upto May 30 2024)
Schloss Tadoba Private Limited (upto May 30 2024)
Moonburg Power Private Limited (upto May 30 2024)
Elevar Digital Infrastructure Private Limited
Summit Digital Infrastructure Limited
Brookprop Property Management Services Private Limited
Arliga India Office Parks Private Limited
Arliga Ecoworld Infrastructure Private Limited
Cowrks India Private Limited
BAM DLR Data Centre Services Pvt. Ltd.
Brookfield Advisors India Private Limited

(iii) Subsidiaries

Schloss HMA Private Limited (with effect from May 31 2024)
Schloss Chennai Private Limited (with effect from May 31 2024)
Schloss Udaipur Private Limited (with effect from May 31 2024)
Schloss Chanakya Private Limited (with effect from May 31 2024)
Schloss Gandhinagar Private Limited (with effect from May 31 2024)
Leela Agra resort Limited (formerly known as Leela Palaces and Resorts Limited) (with effect from May 31 2024)
Tulsi Palace Resort Private Limited (with effect from May 31 2024)
Schloss Tadoba Private Limited (with effect from May 31 2024)
Transition Cleantech Services Five 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

(iv) Joint Ventures

Lago Vue Srinagar Private Limited
Leela BKC holdings Private Limited (subsidiary upto April 17, 2025)

(v) Associates

Argon Holding (DIFC) Limited

(vi) Other related party

Boron Holdings (DIFC) Limited

(vii) Key Managerial Personnel

Mr. Anuraag Bhatnagar, Whole-time-Director & CEO
Mr. Ravi Shankar, Chief Financial Officer
Mr. Madhav Sehgal, Director (upto September 13, 2024)
Ms. Ananya Tripathi, Director (w.e.f. May 29, 2024)
Mr. Ankur Gupta, Director (w.e.f. September 13, 2024)
Mr. Ashank Kothari, Director (w.e.f. September 13, 2024)
Mr. Shai Zelering, Director (w.e.f. September 13, 2024)
Mr. Deepak Parekh, Director (w.e.f. September 13, 2024)
Mr. Mukesh Butani, Director (w.e.f. September 13, 2024)
Ms. Apurva Purohit, Director (w.e.f. September 13, 2024)



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2026

B Transactions with related parties

The following transactions occurred with related parties

	<i>(Rupees in millions)</i>	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Management fees expense		
Schloss HMA Private Limited	336.26	293.09
Reimbursement of expenses paid to / (received from)		
Schloss Chennai Private Limited	5.50	(2.90)
Schloss Chanakya Private Limited	(69.95)	19.56
Schloss HMA Private Limited	(73.57)	79.85
Schloss Udaipur Private Limited	(0.27)	2.87
Schloss Tadoba Private Limited	0.08	-
Leela Agra resort Limited (formerly known as Leela Palaces and Resorts Limited)	0.12	-
Tulsi Palace Resort Private Limited	(0.18)	0.90
Leela BKC Holdings Private Limited	2.21	-
Transition Cleantech Services Five Private Limited	0.08	-
Brookprop Property Management Services Private Limited	-	-
Lago Vue Srinagar Private Limited	-	(4.63)
Project Ballet Bangalore Holdings (DIFC) Limited	(13.97)	(106.35)
Anasvish Tiger Camp Private Limited	0.08	-
Inside India Resorts Private Limited	0.96	-
Buildminds Real Estate Private Limited	2.33	-
Leela Luxe Hotels & Resorts Private Limited	7.79	-
Other Income		
Summit Digital Infrastructure Limited	0.63	0.63
Elevar Digital Infrastructure Private Limited	0.33	0.09
Revenue from Operations		
Arliga Ecoworld Infrastructure Private Limited	2.68	1.09
BAM DLR Data Centre Services Pvt. Ltd.	-	0.01
Brookfield Advisors India Private Limited	1.67	-
Arliga India Office Parks Private Limited	0.26	0.15
Cowrks India Private Limited	-	0.01
Payment made towards consultancy services		
Brookprop Property Management Services Private Limited	4.74	12.83
Interest (income)/expense on capex limit utilisation		
Schloss Udaipur Private Limited	(0.09)	(0.17)
Schloss Chanakya Private Limited	-	29.77
Inter corporate deposit taken		
Tulsi Palace Resort Private Limited	-	150.00
Schloss Chennai Private Limited	-	254.40
Schloss Chanakya Private Limited	-	55.00
Inter corporate deposit given		
Schloss HMA Private Limited	1,030.00	1,605.83
Schloss Chanakya Private Limited	5,820.00	1,245.72
Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")	433.20	103.15
Inside India Resort Private Limited	-	7.99
Anasvish Tiger Camp Private Limited	7.30	2.29
Schloss Chennai Private Limited	1,455.00	-
Schloss Udaipur Private Limited	480.00	-
Leela Luxe Hotels & Resorts Private Limited	3,450.00	-
Inter corporate deposit settlement		
Schloss HMA Private Limited	-	680.94
Schloss Udaipur Private Limited	-	609.43
Schloss Chennai Private Limited	-	660.00
Schloss Chanakya Private Limited	-	150.00
Tulsi Palace Resort Private Limited	-	-
Inter corporate deposit given repaid		
Schloss HMA Private Limited	470.00	947.71
Schloss Chennai Private Limited	594.46	-
Schloss Chanakya Private Limited	2,100.75	-
Schloss Udaipur Private Limited	176.76	-
Interest on inter corporate deposit		
Schloss Udaipur Private Limited	-	40.83
Schloss Chennai Private Limited	-	33.07
Schloss Chanakya Private Limited	-	17.99
Tulsi Palace Resort Private Limited	-	1.70



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to the Standalone Financial statements for the year ended March 31, 2026

Interest Income on inter corporate deposit

Schloss HMA Private Limited	106.08	111.54
Schloss Chanakya Private Limited	724.60	105.90
Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")	41.73	5.66
Inside India Resorts Private Limited	0.97	0.31
Anasvish Tiger Camp Private Limited	0.50	0.10
Schloss Udaipur Private Limited	51.63	
Schloss Chennai Private Limited	142.69	
Leela Luxe Hotels & Resorts Private Limited	16.26	

Purchase of Investment

BSREP III India Ballet Holdings (DIFC) Limited	-	1,742.81
BSREP III India Ballet I Pte. Ltd.	-	11,450.92
BSREP III Tadoba Holdings (DIFC) Private Limited	-	0.01
BSREP III Joy Two Holdings (DIFC) Limited	-	6,983.18
Project Ballet Chennai Holdings (DIFC) Private Limited	-	10,110.86
Project Ballet Gandhinagar Holdings (DIFC) Private Limited	-	18.52
Project Ballet HMA Holdings (DIFC) Private Limited	-	12,153.33
Project Ballet Udaipur Holdings (DIFC) Private Limited	-	4139.86

Interest on unsecured compulsorily convertible debentures

Project Ballet Bangalore Holdings (DIFC) Private Limited, holding company	-	44.77
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Gain on account of modification in the terms/extinguishment/conversion of compound financial instruments

Project Ballet Bangalore Holdings (DIFC) Pvt Limited	-	(113.53)
BSREP III Joy Two Holdings (DIFC) Limited	-	40.46
Project Ballet Gandhinagar Holdings (DIFC) Pvt Limited	-	10.21
Project Ballet Udaipur Holdings (DIFC) Pvt Limited	-	23.99
BSREP III Tadoba Holdings (DIFC) Pvt Limited	-	132.70
Project Ballet Chennai Holdings (DIFC) Pvt Limited	-	58.24
Project Ballet HMA Holdings (DIFC) Pvt Limited	-	70.00

Extinguishment of financial liability recorded under equity

Project Ballet Bangalore Holdings (DIFC) Pvt Limited	-	603.09
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Extinguishment of financial liability recorded under borrowings

Project Ballet Bangalore Holdings (DIFC) Pvt Limited	-	899.66
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Issue of Compulsorily Convertible Preference Shares ('CCPS')

BSREP III Joy Two Holdings (DIFC) Limited	-	6,983.18
Project Ballet Gandhinagar Holdings (DIFC) Pvt Limited	-	1,761.33
Project Ballet Udaipur Holdings (DIFC) Pvt Limited	-	4,139.86
BSREP III Tadoba Holdings (DIFC) Pvt Limited	-	27,061.74
Project Ballet Chennai Holdings (DIFC) Pvt Limited	-	10,110.86
Project Ballet HMA Holdings (DIFC) Pvt Limited	-	12,153.33

Issue of Equity Shares on conversion of CCPS (including securities premium)

BSREP III Joy Two Holdings (DIFC) Limited	-	6,983.18
Project Ballet Gandhinagar Holdings (DIFC) Pvt Limited	-	1,761.33
Project Ballet Udaipur Holdings (DIFC) Pvt Limited	-	4,139.86
BSREP III Tadoba Holdings (DIFC) Pvt Limited	-	27,061.74
Project Ballet Chennai Holdings (DIFC) Pvt Limited	-	10,110.86
Project Ballet HMA Holdings (DIFC) Pvt Limited	-	12,153.33

Issue of Bonus Equity Shares

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

Schloss Chanakya Private Limited	4,700.00	11,123.05
Buildminds Real Estate Private Limited	17.00	29.97

Investment in Redeemable preference shares

Aries Holdings (DIFC) Limited	4,202.37	
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Fair Value gain on compulsorily convertible preference shares

Schloss Chanakya Private Limited	186.88	97.81
Buildminds Real Estate Private Limited	0.45	0.04

Interest expense on unsecured compulsorily convertible preference shares

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



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

Notes to the Standalone Financial statements for the year ended March 31, 2026 (Cont...)

Non-executive director fees

Mr. Deepak Parekh	2.16	0.90
Mr. Mukesh Butani	1.90	1.00
Ms. Apurva Purohit	2.08	1.00

Managerial remuneration*

Short Term Employee Benefits

Mr. Anuraag Bhatnagar	65.37	18.50
Mr. Ravi Shankar	33.77	6.73
Mr. Madhav Sehegal	-	6.35

* 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.

C Outstanding balance

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

	As at March 31, 2026	As at March 31, 2025
Trade payables (including accrued expenses)		
Schloss HMA Private Limited	26.06	48.10
Schloss Udaipur Private Limited	-	3.42
Schloss Chennai Private Limited	-	3.26
Schloss Chanakya Private Limited	-	28.04
Tulsi Palace and Resorts Private Limited	-	2.18
Other payables		
Schloss Chanakya Private Limited	-	22.46
Other receivable		
Buildminds Real Estate Private Limited	2.33	15.12
Inside India resorts Private limited	1.04	0.88
Lago Vue Srinagar Private Limited	4.71	4.63
Project Ballet Bangalore DIFC Limited	-	106.35
Leela Agra Resorts Limited (formerly known as Leela Palaces and Resorts Limited)	0.08	-
Schloss Tadoba Private Limited	0.08	-
Anasvish Tiger Camp Private Limited	0.08	-
Leela BKC Holdings Private Limited	2.29	-
Transition Cleantech Services Five Private Limited	0.08	-
Trade receivable		
Schloss HMA Private Limited	37.56	-
Brookfield Advisors India Private Limited	0.02	-
Summit Digital Infrastructure Limited	0.06	0.03
Leela Luxe Hotels & Resorts Private Limited	7.79	-
Cowrks India Private Limited	-	0.01
Elevar Digital Infrastructure Private Limited	0.07	0.04
Capital creditors		
Brookprop Property Management Services Private Limited	1.75	1.35
Inter corporate deposit given		
Schloss HMA Private Limited	1,313.79	658.31
Schloss Chanakya Private Limited	5,669.93	1,298.54
Leela Agra Resort Limited (formerly known as "Leela Palaces and Resorts Limited")	581.91	108.25
Inside India Resort Private Limited	9.08	8.27
Anasvish Tiger Camp Private Limited	10.16	2.38
Schloss Udaipur Private Limited	349.71	-
Schloss Chennai Private Limited	988.96	-
Leela Luxe Hotels & Resorts Private Limited	3,464.63	-
Investment in compulsorily convertible preference shares		
Schloss Chanakya Private Limited	16,107.73	11,220.86
Buildminds Real Estate Private Limited	47.46	30.01
Investment in Redeemable preference shares		
Aries Holdings (DIFC) Limited	4,507.55	-

Corporate guarantee

During the FY 2024-25, Company's intermediate holding company i.e. BSREP III India Ballet Holdings (DIFC) Limited, fellow subsidiaries i.e. Schloss HMA Private Limited (upto March 28, 2025) and Leela Agra resorts Limited (formerly known as Leela Palaces and Resorts Limited) (upto March 28, 2025) have given corporate guarantee and fellow subsidiaries also created charge over their total assets for the term loan facility availed by the company. During the year 2025-26, the company's guarantee has been released due to repayment of Borrowings.

E Names of Related parties where control exists

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

F Terms and conditions

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



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")
Notes to standalone financial statements for the year ended March 31, 2026
(All amounts are in Rupees in millions except otherwise stated.)

43 Ratio Analysis and its elements

Ratio Analysis	Numerator	Denominator	March 31, 2026	March 31, 2025	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	1.99	4.54	-56%	Decrease is due to increase in Current liabilities on account of Bank overdraft
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	0.02	0.22	-93%	Change in Debt equity ratio is due to repayment of borrowings in CY from Proceeds of IPO
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	0.31	1.02	-70%	Change is due to repayment of borrowings in CY from Proceeds of IPO
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	0.04	0.01	259%	Improvement in RoE is due to better operational performance and savings in Finance cost during the year
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	3.59	3.63	-1%	reduction is due to cost savings as compared to PY
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	28.84	33.30	-13%	Reduction is due to increase in revenue from operation in CY
Trade Payables Turnover Ratio	Net Purchases	Average Trade Payables	1.19	1.21	-2%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	2.93	4.78	-39%	
Net Profit Ratio	Net Profit after tax	Net Sales	0.63	0.09	600%	Improvement is due to better performance in CY as compared to PY
Return on Capital employed	EBIT	Capital Employed	0.04	0.03	18%	Improvement is due to better performance in CY as compared to PY
Return on Investment	Interest (Finance Income)	Investment	0.06	0.08	-26%	



Leela Palaces Hotels & Resorts Limited (formerly known as "Schloss Bangalore Limited") (formerly known as "Schloss Bangalore Private Limited")**Notes to standalone financial statements for the year ended March 31, 2026**

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

44 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 assessed 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. 16.40 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.

- 45 During the year ended March 31, 2026, the Company has completed its Initial Public Offer ("IPO") of 80,459,769 equity shares of face value of Rs. 10/- each comprising of (i) fresh issue of 57,471,264 equity shares at an issue price of Rs. 435 per equity share; (ii) an offer for sale of 22,988,505 equity shares at an issue price of Rs. 435 per equity share. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on June 02, 2025.

Details of utilisation of proceeds from fresh issue are as follows as on March 31, 2026:

Particulars	Cost (as per offer document)
Gross Proceeds from the issue	25,000.00
Less: Issue related expenses (proportionate to Company's share)	(1,355.98)
Net proceeds	23,644.02
Amount utilised for repayment of borrowings	(23,000.00)
Amount utilised for general corporate purposes	(644.02)
Balance proceeds	-

* Issue related expenses (net of tax) amounting to Rs. 918.80 millions have been adjusted against securities premium as per Section 52 of the Companies Act, 2013.

46 Other Statutory Information

- (i) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off u/s 243 of the Companies Act, 2013 or u/s 560 of Companies Act, 2013.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (ROC) beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as stated below:

Nature of funds	Intermediate receiving entity	Ultimate receiving entity	Amount (Rupees in millions)
Investment in compulsorily convertible preference shares ("CCPS")	Schloss Chanakya Private Limited	Tulsi Palace Resort Private Limited	4,700.00
Investment in Redeemable Preference Shares (RPS)	Aries Holdings (DIFC) Limited	Argon Holdings (DIFC) Limited	4,202.37
Inter corporate deposits	Schloss Chanakya Private Limited	Schloss Udaipur Private Limited	164.95
Inter corporate deposits	Leela Agra Resort Limited (formerly known as Leela Palaces and Resorts Limited)	Lago Vue Srinagar Private Limited	170.00

- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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.)
- (viii) The Company has investment property as disclosed in fair value and accordingly its fair valuation is at year end is disclosed in note 6.
- (ix) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year.
- (x) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment.
- (xi) The Company has not defaulted on loan from any bank or financial Institution or other lender.
- (xii) Compliance with approved Scheme(s) on the basis of security of current assets - Not Applicable.
- (xiii) The Company is not declared wilful defaulter by any bank or financial institution as defined under companies act, 2013 or consortium thereof or other lender in accordance with the guidelines on the wilful defaulters issued by the RBI.
- (xiv) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.
- (xv) The Company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.
- (xvi) Compliance with approved scheme of arrangements.



47 Subsequent events

The Company has further subscribed to non-convertible debentures amounting to Rs. 1,200.00 millions in Leela BKC Holdings Private Limited, a joint venture of the company on April 07, 2026.

For B S R & Co. LLP
Chartered Accountants

Firm Registration No: 101248W/W-100022


Tarun Kinger
Partner
Membership Number : 105003

Place: Mumbai
Date: April 28, 2026

For and on behalf of the board of directors of
Leela Palaces Hotels & Resorts Limited (formerly known as 'Schloss Bangalore Limited')
(formerly known as 'Schloss Bangalore Private Limited')
CIN: L55209DL2019PLC347492


Anuraag Bhatnagar
Whole Time Director
DIN: 07967095

Place: Mumbai
Date: April 28, 2026


Ashank Kothari
Director
DIN: 08565174

Place: Mumbai
Date: April 28, 2026


Ravi Shankar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2026


Jyoti Maheshwari
Company Secretary
Membership no. ACS24469

Place: Mumbai
Date: April 28, 2026

