

## Independent Auditor's Report

### To the Members of Schloss Chanakya Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Schloss Chanakya Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

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

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

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

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

Registered Office:

## Independent Auditor's Report (Continued)

### Schloss Chanakya Private Limited

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

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

**Independent Auditor's Report (Continued)**

**Schloss Chanakya Private Limited**

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 35 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 (vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 (vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed 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 and in accordance with requirements of

**Independent Auditor's Report (Continued)**

**Schloss Chanakya Private Limited**

the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting softwares except the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for one accounting software used for maintaining the books of accounts relating to purchases, payables and inventory management. Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

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

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

*Chartered Accountants*

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



**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 18 June 2024

Membership No.: 114583

ICAI UDIN:24114583BKFBQMB9576

**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2024**

**(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 once in every three years. In accordance with this programme, all property, plant and equipment were verified during the year ended 2022-2023. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No material 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 not made any investments in or provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has granted unsecured loans to its fellow subsidiaries and advances in the nature of loan to employees during the year in respect of which the requisite information is as below. The Company has not granted any unsecured loans or advances in the nature of loans to firms, limited liability partnership during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to fellow subsidiaries and advance in nature of loans to employees as below:

**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2024 (Continued)**

Particulars	Loans (Rs. in Millions)	Advances in nature of loans (Rs. in Millions)
Aggregate amount during the year		
Fellow Subsidiaries	605	-
Employees	-	0.05
Balance outstanding as at balance sheet date		
Fellow Subsidiaries	1,205	-
Employees	-	0.08

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

	Related Parties (Rs. in Millions)
Aggregate of loans - Repayable on demand (A)	1,205
Percentage of loans	99.99%

- (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

**Annexure A to the Independent Auditor’s Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2024 (Continued)**

Act in respect of loans covered by the said section. The Company has not provided guarantee or security to which provisions of Sections 185 of the Companies Act, 2013 apply. According to the information and explanations given to us, the provisions of Section 186 of the Act in respect of the loans given, guarantees provided, securities given are not applicable to the Company, since it is covered as Company engaged in business of providing infrastructural facilities. According to the information and explanations given to us, there is no investment made by the Company and accordingly, Section 186 of the Act is not applicable to the Company.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Value added tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Value added tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 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, Value added tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	11.16	1 April 2012 to 30 June 2017	Customs Excise and Service Tax Appellate Tribunal	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2024 (Continued)**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) 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



**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chanakya Private Limited for the year ended 31 March 2024 (Continued)**

- 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 a 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(vi)(d) are not applicable.
- (xvii) The Company has not incurred cash loss in the current financial year and has incurred cash loss of Rs. 159.68 millions in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

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



**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 18 June 2024

Membership No.: 114583

ICAI UDIN:24114583BKFQMB9576

## **Annexure B to the Independent Auditor's Report on the financial statements of Schloss Chanakya Private Limited for the year ended 31 March 2024**

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

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

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Schloss Chanakya Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

**Annexure B to the Independent Auditor's Report on the financial statements of Schloss Chanakya Private Limited for the year ended 31 March 2024 (Continued)**

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

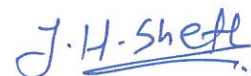
**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

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

*Chartered Accountants*

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



**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 18 June 2024

Membership No.: 114583

ICAI UDIN:24114583BKFQMB9576

SCHLOSS CHANAKYA PRIVATE LIMITED  
Balance Sheet as at 31 March 2024

(Rupees in millions)

Particulars	Note	31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	17,750.82	17,832.10
Capital work-in-progress	3(c)	19.40	25.41
Goodwill	3(d)	527.57	527.57
Other intangible assets	3(b)	3.23	4.01
<b>Financial assets</b>			
(i) Others financial assets	5(a)	339.16	155.98
Deferred tax assets (net)	6	-	-
Other non-current assets	8(a)	288.88	270.58
<b>Total non-current assets</b>		<b>18,929.06</b>	<b>18,815.65</b>
<b>Current assets</b>			
Inventories	9	82.08	74.17
<b>Financial assets</b>			
(i) Trade receivables	10	94.43	106.81
(ii) Cash and cash equivalents	11	52.33	289.20
(iii) Bank balances other than cash and cash equivalents above	12	191.52	118.28
(iv) Loans	4	1,205.00	600.00
(v) Other financial assets	5(b)	107.75	13.74
Current tax assets (net)	7	49.56	13.33
Other current assets	8(b)	119.89	123.11
<b>Total current assets</b>		<b>1,902.56</b>	<b>1,338.64</b>
<b>TOTAL ASSETS</b>		<b>20,831.62</b>	<b>20,154.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	574.23	574.23
<b>Other equity</b>			
(i) Equity component of compound financial instruments	14	1,160.25	876.59
(ii) Reserves and Surplus	14	1,671.69	2,051.63
<b>Total equity</b>		<b>3,406.17</b>	<b>3,502.45</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	15(a)	15,196.09	15,610.29
(ii) Other financial liabilities	16(a)	0.25	63.31
Provisions	17(a)	14.76	8.77
<b>Total non-current liabilities</b>		<b>15,211.10</b>	<b>15,682.37</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	15(b)	1,513.41	426.12
(ii) Trade payables	18		
a) total outstanding dues to micro enterprises and small enterprises		15.12	16.65
b) total outstanding dues other than micro enterprises and small enterprises		377.92	260.45
(iii) Other financial liabilities	16(b)	77.48	32.73
Other current liabilities	19	226.12	232.52
Provisions	17(b)	4.30	1.00
<b>Total current liabilities</b>		<b>2,214.35</b>	<b>969.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,831.62</b>	<b>20,154.29</b>

Material accounting policies

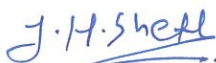
1 - 2

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

1-40

As per our report of even date attached

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



Jaymin Sheth  
Partner  
Membership Number: 114583

Place: Mumbai  
Date: 18 June 2024

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

  
Anupam Dasgupta  
Director  
DIN: 09497530

  
Sougata Kundu  
Director  
DIN: 07091941



Place: Delhi  
Date: 18 June 2024

Place: Mumbai  
Date: 18 June 2024

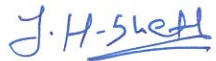
SCHLOSS CHANAKYA PRIVATE LIMITED  
Statement of Profit and Loss for the year ended 31 March 2024

(Rupees in millions)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations	20	2,959.98	2,307.80
Other income	21	143.75	79.65
<b>Total income</b>		<b>3,103.73</b>	<b>2,387.45</b>
<b>Expenses</b>			
Consumption of food and beverages	22	211.80	186.63
Employee benefits expense	23	462.73	391.94
Finance costs	24	1,588.81	1,413.81
Depreciation and amortisation expense	25	183.27	180.10
Other expenses	26	1,033.93	848.18
<b>Total expenses</b>		<b>3,480.54</b>	<b>3,020.66</b>
<b>(Loss) before tax</b>		<b>(376.81)</b>	<b>(633.21)</b>
<b>Tax expense</b>			
- Current tax		-	-
- Deferred tax charge / (credit)		-	-
<b>(Loss) after tax</b>		<b>(376.81)</b>	<b>(633.21)</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurements of defined benefit plans, net of tax		(3.13)	2.88
<b>Total other comprehensive income / (loss) for the year, net of tax</b>		<b>(3.13)</b>	<b>2.88</b>
<b>Total comprehensive (loss) for the year</b>		<b>(379.94)</b>	<b>(630.33)</b>
<b>Earning per equity share (in rupees)</b>			
Basic earnings per share (Face value Rs.10 each)	28	(3.39)	(11.03)
Diluted earnings per share (Face value Rs.10 each)		(3.39)	(11.03)
<b>Material accounting policies</b>	1 - 2		
The notes referred to above form an integral part of the financial statements	1-40		

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm Registration No: 101248W-W-100022



Jaymin Sheth  
Partner  
Membership Number: 114583

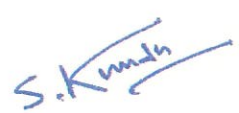
Place: Mumbai  
Date: 18 June 2024

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



Anupam Dasgupta  
Director  
DIN: 09497530

Place: Delhi  
Date: 18 June 2024



Sougata Kundu  
Director  
DIN: 07091941

Place: Mumbai  
Date: 18 June 2024



SCHLOSS CHANAKYA PRIVATE LIMITED  
Statement of cash flows for the year ended 31 March 2024

Particulars	(Rupees in millions)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flows from operating activities</b>		
Loss before tax for the year	(376.81)	(633.21)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	183.27	180.10
Finance costs	1,588.81	1,413.81
Net loss on disposal of property, plant and equipment	1.05	-
Net foreign exchange differences	(2.04)	-
Provision for doubtful debts	16.44	-
Interest income	(129.32)	(49.93)
<b>Operating cash flows before working capital changes</b>	<b>1,281.40</b>	<b>910.77</b>
<b>Working capital movements:</b>		
Decrease in loans	-	6.02
(Increase) in inventories	(7.90)	(13.88)
(Increase) in trade receivables	(4.07)	(69.74)
(Increase) / Decrease in other assets	(4.61)	96.86
Decrease in other financial assets	1.95	0.99
Increase in trade payables	115.93	103.01
(Decrease) in other financial liabilities	(20.10)	(31.88)
Increase / (Decrease) in other liabilities	(6.41)	49.63
Increase in provisions	6.17	3.56
<b>Cash generated from operations</b>	<b>1,362.36</b>	<b>1,055.34</b>
Income taxes paid, net	(36.22)	(4.70)
<b>Net cash flows generated from operating activities (A)</b>	<b>1,326.14</b>	<b>1,050.64</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments including capital work in progress including capital advances	(106.73)	(79.36)
Proceeds from disposal of property, plant and equipment	-	4.12
Inter corporate deposit given to related parties	(605.00)	(600.00)
Interest received	34.70	43.15
Investments in bank deposits	(255.69)	(76.90)
<b>Net cash flows (used in) investing activities (B)</b>	<b>(932.72)</b>	<b>(708.99)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	-	185.38
(Repayments) of long-term borrowings	(165.75)	(192.69)
Proceeds from short-term borrowings	665.50	-
(Repayments) of short-term borrowings	-	(6.19)
Interest paid	(1,130.04)	(1,120.38)
<b>Net cash flows (used in) financing activities (C)</b>	<b>(630.29)</b>	<b>(1,133.88)</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(236.87)</b>	<b>(792.23)</b>
Cash and cash equivalents as at beginning of the year	289.20	1,081.43
<b>Cash and cash equivalents at the end of the year</b>	<b>52.33</b>	<b>289.20</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.70	1.04
Balance with banks		
- in current accounts	50.63	49.26
- in deposit accounts with original maturity of less than three months	-	238.90
<b>Total cash and cash equivalents (Refer note 11)</b>	<b>52.33</b>	<b>289.20</b>

**Notes:**

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

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

*J.H. Sheth*

Jaymin Sheth  
Partner  
Membership Number: 114583

Place: Mumbai  
Date: 18 June 2024

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

Anupam Dasgupta  
Director  
DIN: 09497530

Place: Delhi  
Date: 18 June 2024



Sougata Kundu  
Director  
DIN: 07091941

Place: Mumbai  
Date: 18 June 2024

SCHLOSS CHANAKYA PRIVATE LIMITED  
Statement of Changes in Equity for the year ended 31 March 2024

A. Equity share capital

(Rupees in millions)

Particulars	Note	Amount
As at 1 April 2022		574.23
Changes in equity share capital	13	-
As at 31 March 2023		574.23
Changes in equity share capital	13	-
As at 31 March 2024		574.23

B. Other equity


(Rupees in millions)

Particulars	Note	Equity component of compound financial instruments	Reserves and Surplus		Total
			Securities premium	Retained earnings	
As at 1 April 2022		876.59	5,033.72	(2,351.76)	3,558.55
(Loss) for the year		-	-	(633.21)	(633.21)
Other comprehensive income, net of tax		-	-	2.88	2.88
Total comprehensive (loss) for the year		-	-	(630.33)	(630.33)
Dividend		-	-	-	-
As at 31 March 2023		876.59	5,033.72	(2,982.09)	2,928.22
(Loss) for the year		-	-	(376.81)	(376.81)
Other comprehensive (loss), net of tax		-	-	(3.13)	(3.13)
Total comprehensive (loss) for the year	14	-	-	(379.94)	(379.94)
Gain on account of modification in the terms of compound financial instruments		283.66	-	-	283.66
As at 31 March 2024	14	1,160.25	5,033.72	(3,362.03)	2,831.94

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

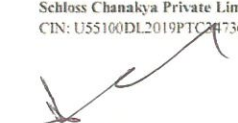
As per our report of even date attached

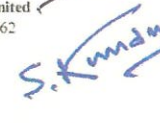
For BSR & Co. LLP  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

  
Jaymin Sheth  
Partner  
Membership Number: 114583

Place: Mumbai  
Date: 18 June 2024

For and on behalf of the board of directors of  
Schloss Chanakya Private Limited  
CIN: U55100DL2019PTC207362

  
Anupam Dasgupta  
Director  
DIN: 09497550

  
Sougata Kundu  
Director  
DIN: 07091941

Place: Delhi  
Date: 18 June 2024

Place: Mumbai  
Date: 18 June 2024



**1 Company information**

Schloss Chanakya Private Limited ("the Company") an Indian subsidiary of BSREP III India Ballet I Pte. Ltd., holding company, was incorporated on 18 March 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October 2019 by acquiring Delhi hotel undertaking of HLV Limited. The Company is in the hospitality industry and operates hotel under the brand name of "THE LEELA".

**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, 2021 and other provisions of the Companies Act, 2013 ("the Act") as amended from time to time. The financial statements are prepared in Indian rupees in millions.

**2.2 Critical accounting estimates and judgements**

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

**- Useful lives of property, plant and equipment and intangible assets:**

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

**- Impairment testing:**

Property, plant and equipment and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer Note 3 for further details.

**- 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 34 for further details.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss. Refer note 34 for further details.

**- Defined benefit plans:**

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

The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. Refer note 27 for further details.

**- Contingent liabilities:**

The management evaluates possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The estimates of outcome and financial effect are determined by the judgement of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. Refer note 35 for further details.

**- Fair Value Measurement of Derivative and other Financial Instruments:**

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





**2.3 Going Concern**

The Company has incurred a loss of Rs. 376.81 millions during the year ended 31 March 2024, has accumulated losses of Rs. 3,362.03 millions and positive net worth of Rs. 3,406.17 millions at 31 March 2024 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 311.9 millions.

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

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

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

**2.4 Current / Non-current classification**

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

**Assets**

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

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

Current assets include the current portion of assets.

All other assets are classified as non-current.

**Liabilities**

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

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

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

**Operating cycle**

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

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

**2.5 Basis of Preparation****Historical cost convention**

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

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

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

**2.6 Material Accounting Policies****a) Revenue recognition and other income:**

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

**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.

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

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

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

services rendered. A deferred revenue is recognised for revenue where performance obligations under the sales contract are to be satisfied.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by

the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

**Space and Shop rentals:** Rentals basically consists of rental revenue earned from letting of spaces for 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:** Interest income is recognised on a time proportion basis taking into account amount outstanding using effective interest rate applicable.



b) **Employee benefits:**

**Short term employment benefits:**

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

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

**Defined contribution plans:**

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

**Defined benefit plans**

(Post-employment benefit)

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

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

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

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

**Other long-term employee benefits:**

**Compensated absences**

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

c) **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	3 years to 15 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.

For transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as of March 18, 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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



d) **Intangible assets**

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

Class of Asset	Estimated Useful Life
Computer Software	6 years

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

**Goodwill**

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

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

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of March 18, 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

e) **Leases**

i. **As a lessee**

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

**Right of use assets**

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

**Lease Liabilities**

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

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

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

**Variable lease**

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

**Short-Term Leases and Leases of Low-Value Assets**

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

ii. **As a lessor**

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

iii. **Classification of lease**

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

f) **Impairment of assets**

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment loss is recognised, 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 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 increases the carrying amount of the asset (or cash-generating unit) to the amount that would have been determined had no impairment loss been recognised for the asset in prior years.



g) **Foreign currency translation**  
(i) **Functional and presentation currency**

The functional currency of the Company is Indian Rupee.

(ii) **Transactions and balances**

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

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains (losses).

(iii) **Subsequent measurement**

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

h) **Inventories**

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

i) **Taxation**

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

**Current Tax**

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

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

**Deferred Tax**

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

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

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



**j) Provisions, contingent liabilities and contingent assets**

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

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

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

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

**k) Borrowing cost**

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

**l) Earnings per Share**

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

**m) Financial instruments**

**(i) Classification**

The company classifies its financial assets in the following measurement categories

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

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

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

**(ii) Recognition**

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

**(iii) Measurement**

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

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



m) **Financial instruments (Continued)****-Debt instruments**

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

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

**-Equity 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.

**Trade and other receivables**

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

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

**Compound financial instruments**

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

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

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

**Borrowings**

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

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

**Derecognition of financial liabilities**

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

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

The chosen accounting policy should be applied consistently and disclosed.

**Qualitative analysis**

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

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

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

- A change in the currency in which the liability is denominated.
- A change in the interest basis (such as a change from fixed rate to floating rate, or vice versa).
- A change in any conversion features in the instrument.
- A substantial change in covenants.

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

The liability was close to its maturity date at the date of the renegotiation and was extended for a significant additional period, which results in the renegotiated

**Derecognition of financial asset & financial liabilities**

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

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

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

**Gain or loss on derecognition**

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

**Impairment of financial assets**

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

For assets measured at amortised cost, 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 the 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) 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.

**o) Cash and cash equivalents**

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

**p) Business Combination**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred as excess of the-

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**q) New Standards or Other Amendments Issued but not yet Effective:**

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April, 2023:

**a. Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies.

Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**b. Ind AS 107 – Financial Instruments:**

Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

**c. Ind AS 12 – Income Taxes:**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**d. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

3(a) Property, plant and equipment

	Building	Freehold land	Plant and machinery	Property, plant and equipment			Computers and data processing unit	Vehicles	Total
				Furniture and fixtures	Office equipments				
Gross carrying amount									
At 1 April 2022	3,531.82	14,108.99	857.92	89.28	0.38	35.17	70.11	18,693.67	
Additions	-	-	56.38	1.81	0.03	0.82	-	59.04	
Disposals	-	-	26.39	0.06	0.07	5.19	0.82	32.53	
At 31 March 2023	3,531.82	14,108.99	887.91	91.03	0.34	30.80	69.29	18,720.18	
Additions	-	-	99.62	0.53	-	1.06	-	101.21	
Disposals	-	-	-	-	-	-	1.84	1.84	
At 31 March 2024	3,531.82	14,108.99	987.53	91.56	0.34	31.86	67.45	18,819.55	
Accumulated depreciation									
At 1 April 2022	168.68	-	437.21	85.24	0.37	10.52	25.73	727.75	
Charge for the year	68.64	-	94.19	1.21	0.01	4.66	11.24	179.95	
Disposals	-	-	13.48	0.06	0.07	5.19	0.82	19.62	
At 31 March 2023	237.32	-	517.92	86.39	0.31	9.99	36.15	888.08	
Charge for the year	68.83	-	96.24	1.29	0.01	4.84	11.27	182.49	
Disposals	-	-	-	-	-	-	1.84	1.84	
At 31 March 2024	306.15	-	614.16	87.68	0.32	14.83	45.58	1,068.73	
Net block at 31 March 2024	3,225.67	14,108.99	373.37	3.88	0.02	17.03	21.87	17,750.82	
Net block at 31 March 2023	3,294.50	14,108.99	369.99	4.64	0.03	20.81	35.14	17,832.10	

Note

- (i) Property Plant and Equipment pledged as Security: Refer to Note 15 for information on property, plant and equipment pledged as security by the Company.  
(ii) Contractual Obligations: Refer to note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment  
(iii) The title deeds of immovable properties including property, plant and equipment are held in the name of the Company.





**SCHLOSS CHANAKYA PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

**3(b) Other intangible assets**

	Other intangible assets	
	Computer software	Total
<b>Gross block</b>		
At 1 April 2022	1.18	1.18
Additions	3.78	3.78
Disposals	0.19	0.19
<b>At 31 March 2023</b>	<b>4.77</b>	<b>4.77</b>
Additions	-	-
Disposals	-	-
<b>At 31 March 2024</b>	<b>4.77</b>	<b>4.77</b>
<b>Accumulated depreciation</b>		
At 1 April 2022	0.79	0.79
For the year	0.16	0.16
Disposals	0.19	0.19
<b>At 31 March 2023</b>	<b>0.76</b>	<b>0.76</b>
For the year	0.78	0.78
Disposals	-	-
<b>At 31 March 2024</b>	<b>1.54</b>	<b>1.54</b>
<b>Net block at 31 March 2024</b>	<b>3.23</b>	<b>3.23</b>
<b>Net block at 31 March 2023</b>	<b>4.01</b>	<b>4.01</b>

**Note**

(i) Other intangible assets pledged as Security: Refer to Note 15 for information on other intangible assets pledged as security by the Company.

**3(c) Capital work-in-progress**

At 1 April 2022	5.33
Additions	21.49
Assets capitalised during the year	(1.41)
<b>As at 31 March 2023</b>	<b>25.41</b>
Additions during the year	19.40
Assets capitalised during the year	(25.41)
<b>At 31 March 2024</b>	<b>19.40</b>

Capital work in progress primarily comprises expenditure incurred on plant and machinery



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

3(c) Capital work-in-progress (Continued)

Capital work-in-progress (CWIP) Ageing Schedule

At 31 March 2024

Capital work-in-progress	Amount in Capital work-in-progress for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in progress	19.40	-	-	19.40
Projects temporarily suspended	-	-	-	-

As at 31 March 2023

Capital work-in-progress	Amount in Capital work-in-progress for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in progress	21.49	3.92	-	25.41
Projects temporarily suspended	-	-	-	-

Note

There are no projects as on 31 March 2024 where the project timelines are overdue and where the costs have exceeded the original plan approved by the Board of Directors.

3(d) Goodwill

Particulars	31 March 2024	31 March 2023
Opening Balance	527.57	527.57
Additions during the year	-	-
Less: Impairment loss recognized	-	-
Closing Balance	527.57	527.57

Note

(i) Goodwill is pledged as Security. Refer to Note 15 for information on goodwill pledged as security by the Company.

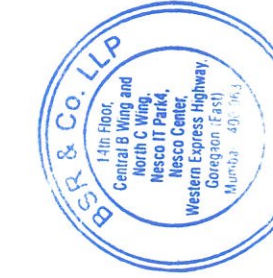
Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

The Company tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets, is allocated to a cash generating unit "CGU" representing the lowest level with the company at which goodwill is monitored for internal management reporting 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. 527.57 Mn (31 March 2023 - Rs. 527.57 Mn). The estimated value-in-use of this CGU is based on the future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and a discount rate of 10.71% p.a. An analysis of the sensitivity of the computation to a change in key parameters (EBITDA, discount rates and terminal value), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The outcome of the Company's goodwill impairment test did not result in any impairment of goodwill.



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

4 Loans at amortised cost  
Unsecured considered good, unless otherwise stated

Particulars	31 March 2024	31 March 2023
Loans to related parties (Refer Note 36)	1,205.00	600.00
	<u>1,205.00</u>	<u>600.00</u>

Loans or advances to related parties:

Type of Borrower	31 March 2024		31 March 2023	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of the total Loans and Advances in the nature of loans
<b>Related Parties *</b>	1,205.00	100%	600.00	100%

\* Related parties with common directors.

The Company's fellow subsidiaries i.e Schloss Bangalore Private Limited and Schloss HMA Private Limited have availed deposits from the Company, for a total of Rs 1,205 millions (Previous Year Rs 600 millions) to meet working capital requirements and it is repayable on demand.

5 Other financial assets

5(a) Non-current financial assets

Particulars	31 March 2024	31 March 2023
Margin money deposits	71.30	71.26
Bank deposits with maturity of more than 12 months	259.08	76.67
<b>Security deposits</b>	<b>8.78</b>	<b>8.05</b>
Considered good- Unsecured	<u>339.16</u>	<u>155.98</u>

Note-

(i) Security deposits are primarily on account of utility deposits and rental agreements. Security deposits given to related parties amounts to Nil.

(ii) Out of total margin money deposits, bank deposits amounting to Rs. 70.82 Mn represents bank deposits made with bank which is given as a guarantee to Ministry of Environment and Forests (MOEF) for the liability incurred towards environmental clearance. (Refer Note 31)

5(b) Current financial assets

Particulars	31 March 2024	31 March 2023
<b>To related parties (Refer Note 36)</b>		
Interest receivable	93.54	0.18
<b>To other than related parties:</b>		
Security deposits		
Considered good- Unsecured	0.33	0.96
Advances to employees	0.08	0.06
Interest accrued on bank deposits	13.80	12.54
	<u>107.75</u>	<u>13.74</u>

6 Deferred tax assets (net)

Particulars	31 March 2024	31 March 2023
The components of deferred tax balances are as follows:		
<b>(A) Deferred tax assets</b>		
<i>Arising on account of timing differences in:</i>		
Provision for employee benefits	4.95	2.54
Borrowings	93.39	92.01
Unabsorbed depreciation / business loss (Refer Note below)	107.44	369.41
Others	8.12	3.45
	<u>213.90</u>	<u>467.41</u>
<b>(B) Deferred tax liability</b>		
<i>Arising on account of timing differences in:</i>		
Compulsorily Convertible Debentures	-	176.41
Excess of depreciation - amortisation on property, plant and equipment under income tax laws over depreciation - amortisation provided in the books	213.53	170.04
Intangible assets including Goodwill	0.37	120.96
	<u>213.90</u>	<u>467.41</u>
<b>Deferred tax assets (net) - (A)-(B)</b>	<u>-</u>	<u>-</u>

Note:

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



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

7 Current tax assets (net)

Particulars	31 March 2024	31 March 2023
Advance tax and tax deducted at source [net of provision of tax: Nil (31 March 2023: Nil)]	49.56	13.33
	<u>49.56</u>	<u>13.33</u>

8 Other assets

8(a) Other non-current assets

Particulars	31 March 2024	31 March 2023
<b>Unsecured, considered good</b>		
Capital advances	17.79	7.31
Prepaid expenses	9.90	2.30
Balances with government authorities*	261.19	260.97
<b>Total</b>	<u>288.88</u>	<u>270.58</u>

\*Balance with government authorities to the extent of Rs. 260.34 Mn represents advance given to New Delhi Municipal Council (NDMC) for Floor Area Ratio (FAR) and Zonal Average Auction Rate (ZAAR) matter which is ongoing before the court. (Refer Note 35)

8(b) Other current assets

Particulars	31 March 2024	31 March 2023
<b>Unsecured, considered good</b>		
Advance to suppliers	17.41	11.54
Prepaid expenses	48.33	33.83
Balances with government authorities	46.33	37.31
Unbilled revenue	7.82	40.43
	<u>119.89</u>	<u>123.11</u>

9 Inventories

(valued at cost or Net realisable value whichever is lower)

Particulars	31 March 2024	31 March 2023
Food and beverages	55.92	42.96
Stores and operating supplies	26.16	31.21
	<u>82.08</u>	<u>74.17</u>

The amount of Inventories pledged as securities for liabilities (Refer Note 15 - Borrowings)

10 Trade receivables

Particulars	31 March 2024	31 March 2023
<b>Unsecured, considered good</b>		
Receivables from related parties (Refer Note 36)	4.11	0.40
Trade receivables- other than related parties	113.77	113.42
Less: Loss allowance	(23.45)	(7.01)
<b>Total receivables</b>	<u>94.43</u>	<u>106.81</u>

Note:

- Trade receivables are non-interest bearing and are generally on payment terms of 0 to 30 days.
- 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 36.
- For related party balances refer Note 36.



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

10 Trade receivables (Continued)

As at 31 March 2024

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	88.95	5.48	-	-	-	94.43
(ii) Undisputed Trade receivable – credit impaired	4.50	4.31	7.28	3.47	3.90	23.45
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Less: provision for doubtful debts	(4.50)	(4.31)	(7.28)	(3.47)	(3.90)	(23.45)
<b>Total</b>	<b>88.95</b>	<b>5.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94.43</b>

As at 31 March 2023

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	97.25	7.43	2.13	-	-	106.81
(ii) Undisputed Trade receivable – credit impaired	-	-	3.13	1.14	2.74	7.01
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Less: provision for doubtful debts	-	-	(3.13)	(1.14)	(2.74)	(7.01)
<b>Total</b>	<b>97.25</b>	<b>7.43</b>	<b>2.13</b>	<b>-</b>	<b>-</b>	<b>106.81</b>



11 Cash and cash equivalents

Particulars	31 March 2024	31 March 2023
Cash on hand	1.70	1.04
Balances with banks		
- in current accounts	50.63	49.26
- in deposit accounts with original maturity of less than three months	-	238.90
	<u>52.33</u>	<u>289.20</u>

Note:

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

12 Bank balances other than cash and cash equivalents

Particulars	31 March 2024	31 March 2023
Other bank balances		
- in deposit accounts with original maturity of more than 3 months but maturity less than 12 months*	191.52	118.28
	<u>191.52</u>	<u>118.28</u>

\*Fixed Deposits amounting to Rs 191.52 Mn (31 March 2023: Nil) has been pledged against Overdraft facilities availed during the year.

\*Fixed Deposits amounting to Rs 9.12 Mn (31 March 2023: Nil) has been issued

13 Equity share capital

Particulars	31 March 2024	31 March 2023
<b>Authorised</b>		
65,500,000 (31 March 2023: 65,500,000) equity shares of Rs 10 each	655.00	655.00
	<u>655.00</u>	<u>655.00</u>
<b>Issued, subscribed and paid up</b>		
57,423,076 (31 March 2023: 57,423,076) equity shares of Rs 10 each, fully paid up	574.23	574.23
	<u>574.23</u>	<u>574.23</u>

a) Reconciliation of shares outstanding and amount at the beginning and at the end of the reporting year:

Particulars	31 March 2024		31 March 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,74,23,076	574.23	5,74,23,076	574.23
Shares issued during the year	-	-	-	-
At the end of the year	<u>5,74,23,076</u>	<u>574.23</u>	<u>5,74,23,076</u>	<u>574.23</u>

b) Rights, preference 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.

c) Shares held by holding company / intermediate holding company

Particulars	31 March 2024		31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of Rs. 10 each fully paid-up</b>				
BSREP III India Ballet I Pte. Ltd., holding company	5,74,23,075	574.23	5,74,23,075	574.23
BSREP III India Ballet Pte Ltd., intermediate holding company	1	0.00	1	0.00
	<u>5,74,23,076</u>	<u>574.23</u>	<u>5,74,23,076</u>	<u>574.23</u>

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

Particulars	31 March 2024		31 March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity shares of Rs. 10 each fully paid-up</b>				
BSREP III India Ballet I Pte. Ltd.	5,74,23,075	99.99%	5,74,23,075	99.99%
	<u>5,74,23,075</u>	<u>99.99%</u>	<u>5,74,23,075</u>	<u>99.99%</u>

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

f) Terms of any securities convertible into equity

Refer Note 15(C)(a) for terms of conversion of Compulsorily Convertible Debentures

g) Disclosure of Shareholding of Promoters

Particulars	31 March 2024		Change in % Holding
	No. of shares	% of Holding	
<b>Equity shares of Rs. 10 each fully paid-up</b>			
BSREP III India Ballet I Pte. Ltd., holding company	5,74,23,074	99.99%	-
BSREP III India Ballet Pte Ltd., intermediate holding company	1	0.01%	-
	<u>5,74,23,075</u>	<u>100.00%</u>	-
Particulars	31 March 2023		Change in % Holding
	No. of shares	% of Holding	
<b>Equity shares of Rs. 10 each fully paid-up</b>			
BSREP III India Ballet I Pte. Ltd., holding company	5,74,23,075	99.99%	-
BSREP III India Ballet Pte Ltd., intermediate holding company	1	0.01%	-
	<u>5,74,23,076</u>	<u>100.00%</u>	-



14 Other equity

Particulars	31 March 2024	31 March 2023
<b>A] Reserves and surplus</b>		
<b>Securities premium:</b>		
At the commencement of the year	5,033.72	5,033.72
Add: Premium on shares issued during the year	-	-
<b>At the end of the year</b>	<b>5,033.72</b>	<b>5,033.72</b>
<b>Retained earnings:</b>		
At the commencement of the year	(2,982.09)	(2,351.76)
Add: (Loss) for the year	(376.81)	(633.21)
Add: Other comprehensive (loss) income	(3.13)	2.88
<b>At the end of the year</b>	<b>(3,362.03)</b>	<b>(2,982.09)</b>
<b>A] Total Reserves and surplus</b>	<b>1,671.69</b>	<b>2,051.63</b>
<b>B] Equity component of compound financial instruments</b>		
At the commencement of the year	876.59	876.59
Add: Gain on account of modification in the terms of compound financial instruments	283.66	-
<b>At the end of the year</b>	<b>1,160.25</b>	<b>876.59</b>
<b>Total</b>	<b>2,831.94</b>	<b>2,928.22</b>

**Note:**

**Securities premium:**

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

**Retained earnings:**

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

**Equity component of compound financial instruments**

This represents equity portion of Compulsorily Convertible Debentures (CCDs). Refer Note 15(b) for details on terms of the instrument.



**SCHLOSS CHANAKYA PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

**15 Borrowings**

**15(a) Non-current borrowings**

Particulars	31 March 2024	31 March 2023
<b>Secured:</b>		
<b>Term loans:</b>		
- From banks		
Rupee term loan (Refer Note A)	9,088.21	9,169.43
Less: Amount disclosed under current maturities of long-term borrowings (Refer note A(d))	(175.92)	(115.63)
	<u>8,912.29</u>	<u>9,053.80</u>
Working capital term loan (Refer Note B)	1,915.46	2,000.00
Less: Amount disclosed under current maturities of long-term borrowings (Refer note B(c))	(486.50)	(125.00)
	<u>1,428.96</u>	<u>1,875.00</u>
<b>Unsecured:</b>		
<b>10.5% Unsecured compulsorily convertible debentures</b>		
Liability component of compound financial instruments (Refer Note C)	4,854.84	4,681.49
	<u>4,854.84</u>	<u>4,681.49</u>
<b>Total</b>	<u>15,196.09</u>	<u>15,610.29</u>

**15(b) Current borrowings**

Particulars	31 March 2024	31 March 2023
<b>Secured:</b>		
Short Term Line Credit (Refer note D)	220.99	185.49
Overdraft (Refer Note E)	630.00	-
Current maturities of long-term borrowings (Refer Note 15a)	662.42	240.63
	<u>1,513.41</u>	<u>426.12</u>

**Notes:**

**A Term loan and working capital loan from Bank**

The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the Company and three co-borrowers i.e. Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Bangalore Private Limited, for a total amounting to Rs. 27,500 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property (Rs. 2,000 millions) fully fungible amount amongst each of the three co-borrowers and the Company's hotel property in Delhi. The door to door tenure of the loan is 15 years including moratorium of one year. The loan is repayable in 56 quarterly structured installments beginning 31 December 2020. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to annual reset, plus spread ranging from 0.80% to 1.60% based on the external credit rating. The Company has available facility of Rs. 8,955 millions and rate of interest as on 31 March 2024 is 8.65% (31 March 2023: 8.70% p.a).

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

**(a) Primary security:**

The total term loan under the said agreement is secured against assets of the Company, other co-borrowers and obligators i.e. Schloss HMA Private Limited and Leela Palaces and Resorts Limited 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), uncancelled 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) Corporate guarantee:**

- of Schloss HMA Private Limited, fellow subsidiary.
- of Leela Palaces and Resorts Limited, fellow subsidiary.

**(c) Other security:**

- Pledge of 30% shares of the Company held by BSREP III India Ballet 1 Pte. Ltd., Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.
- A guarantee of BSREP III India Ballet Pte. Limited, intermediate Holding company, situated at Singapore upto an amount of Rs. 3,000 millions, enforceable at Singapore towards meeting the shortfall in debt service obligations till 30 March 2022.
- A guarantee of BSREP III India Ballet Holdings (DIFC) Limited., intermediate holding company of fellow subsidiary company, situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations from 31 March 2022.
- Mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

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

**(e) Modification in facility terms:**

Lender on the request of the management has waived the requirement of testing of financial covenants till the end of financial year ended 31 March 2023 with testing to be performed on the audited balance sheet as at 31 March 2024 onwards.

**(f) Moratorium on interest:**

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

**(g) 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.**

**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 2000 millions (31 March 2023: 2000 millions) on 9 December, 2021 to the Company to augment net working capital, requirements to meet operational liabilities. The door to door tenure of the loan is 6 years including moratorium of principal of two years. The loan is repayable in 48 monthly structured installments beginning January 2024. The loan carries interest rate linked to lender's six months marginal cost of funds based lending rate ("MCLR"), plus 1%, subject to annual reset.**

**(a) Primary security:**

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

**(b) Other security:**

- Pledge of 30% shares of the Company held by BSREP III India Ballet 1 Pte. Ltd., Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.

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





15 Borrowings (Continued)

Notes (Continued)

C 10.50% unsecured compulsorily convertible debentures

(a) Conversion terms:

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

(a) Commencement of the corporate insolvency resolution process of the Company or, any of the co-borrowers under the Common Facility Agreement dated 30 September 2019 executed with the lender, or

(b) Conversion of loan into equity of the Company or any or all of the co-borrowers under the Common Facility Agreement, unless otherwise instructed by the lender as per the Common Facility Agreement who have provided the loans or who may have acceded to the financing documents.

During the year ended 31 March 2021, the terms of the CCD have been amended to provide the option to the issuer to convert the CCD during the tenure of the CCD. However, the issuer does not expect to convert the said instrument before the expiry of its term of 15 years at the end of which it should stand automatically converted subject to the above.

(b) Restriction on payment of interest on CCDs:

As per terms of the Common Facility Agreement referred at note 15(A) above, interest on the CCDs shall be accrued but cannot be paid by the Company until all the obligations under Common Facility Agreement are completed or setted.

Modification in terms of Compulsorily Convertible Debentures (CCDs):

Modification in terms of Compulsorily Convertible Debentures (CCDs) The Company entered into agreement dated 28 September, 2023 with the CCD holder for alteration of the CCD terms. As per the terms, the CCD holder shall be entitled to interest on principal amount at the rate of 10.50% p.a. till March 2029 and henceforth it will be 12.50% p.a. compounded on yearly basis until conversion. Company accounted the modification as substantial modification and recognised the gain of Rs. 283.66 million.

D Short Term Credit Line

The lender has granted a working capital facility as per Agreement dated 11 August 2020 to the Company and three co-borrowers i.e. Schloss Chennai Private Limited, Schloss Bangalore Private Limited, Schloss Udaipur Private Limited, for a total amounting to Rs. 500.00 millions ( March 2023: 500 millions) to meet the working capital requirement and it is repayable on demand. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), subject to monthly reset. The rate of interest as on 31 March 2024 is 8.65 %

(a) Primary security:

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

(b) Collateral security:

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

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

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

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

(v) Extension of pledge of 30% shares of (i) Schloss Chanakya Private Limited held by BSREP III India Ballet I Pte. Ltd. (ii) Schloss Udaipur Private Limited held by BSREP III India Ballet II Pte. Ltd. (iii) Schloss Bangalore Private Limited held by BSREP III India Ballet III Pte. Ltd. (iv) Schloss Chennai Private Limited BSREP III India Ballet IV Pte. Ltd. in favour of the lender for the entire exposure (TL+WC).

(c) Corporate guarantee:

i) of Schloss HMA Private Limited, fellow subsidiary

ii) of Leela Palaces and Resorts Limited, fellow subsidiary

iii) A guarantee of BSREP III India Ballet Holdings (DIFC) Limited, intermediate Holding company of fellow subsidiary company, situated at Dubai upto an amount of Rs. 3,000 millions, enforceable at Dubai towards meeting the shortfall in debt service obligations from 31 March 2022.

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

E Overdraft

The lender has granted overdraft facility as per Agreement dated 28 July 2023 to the Company against pledged securities as mentioned below

(a) Interest Rate

The rate of interest as on 31 March 2024 is 7.50 %.

(b) Pledged securities:

Bank Deposits amounting to Rs 191.52 Mn (31 March 2023: Nil) has been pledged against Overdraft facilities availed during the year



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

16 Other financial liabilities

16(a) Non-current financial liabilities

Particulars	31 March 2024	31 March 2023
Security deposits	0.25	0.25
Liability towards environmental clearance (Refer Note 31)	-	56.95
Property tax dues payable (Refer Note 35)	-	6.11
	<u>0.25</u>	<u>63.31</u>

16(b) Current financial liabilities

Particulars	31 March 2024	31 March 2023
Security deposits	1.75	1.25
Liability towards environmental clearance (Refer Note 31)	36.20	-
Employee dues payable	37.76	31.48
Interest accrued but not due on borrowings	1.77	-
	<u>77.48</u>	<u>32.73</u>

17 Provisions

17(a) Non-current provisions

Particulars	31 March 2024	31 March 2023
Provision for employee benefits:		
- Compensated absences	8.65	4.36
- Gratuity (Refer Note 27)	6.11	4.41
	<u>14.76</u>	<u>8.77</u>

17(b) Current provisions

Particulars	31 March 2024	31 March 2023
Provision for employee benefits:		
- Compensated absences	1.00	0.41
- Gratuity (Refer Note 27)	3.30	0.59
	<u>4.30</u>	<u>1.00</u>

18 Trade payables

Particulars	31 March 2024	31 March 2023
- Total outstanding dues of micro enterprises and small enterprises (Refer note below)	15.12	16.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (Refer Note 36)	214.38	106.91
- Other vendor payables	82.05	62.68
- Accrued expenses of related parties (Refer Note 36)	2.90	-
- Accrued expenses of other vendors	78.59	90.86
	<u>393.04</u>	<u>277.10</u>

Dues of micro enterprises and small enterprises

Particulars	31 March 2024	31 March 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	15.12	16.65
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.03	0.01
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.92
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.40	0.01
Further interest remaining due and payable for earlier years	-	-

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



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

18 Trade payables (Continued)

As at 31 March 2024

Particulars	Accrued expenses	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	13.54	1.58	-	-	15.12
(ii) Others	81.49	285.46	1.23	9.74	-	377.92
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>81.49</b>	<b>299.00</b>	<b>2.81</b>	<b>9.74</b>	<b>-</b>	<b>393.04</b>

As at 31 March 2023

Particulars	Accrued expenses	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	16.65	-	-	-	16.65
(ii) Others	90.86	162.32	7.27	-	-	260.45
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>90.86</b>	<b>178.97</b>	<b>7.27</b>	<b>-</b>	<b>-</b>	<b>277.10</b>



19 Other current liabilities

Particulars	31 March 2024	31 March 2023
Contract Liability		
- Advance from customers	80.51	97.51
Statutory dues payable		
- Tax deducted at source and equalisation levy	108.49	98.13
- Provident fund	2.93	2.59
- Employees state insurance	0.07	0.09
- Goods and services tax	32.17	31.61
- Value added tax	1.95	2.59
	<u>226.12</u>	<u>232.52</u>



**SCHLOSS CHANAKYA PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees in millions, unless otherwise stated)

**20 Revenue from operations**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from contract with customers</b>		
<b>(a) Sale of products:</b>		
Food and beverages revenue	1,052.88	896.04
<b>(b) Sale of services:</b>		
Room income	1,773.52	1,302.19
Income from rental and related services	-	1.66
Other allied services (laundry income, airport transfers etc.)	133.58	107.91
	<u>1,907.10</u>	<u>1,411.76</u>
<b>Total revenue from operations</b>	<u><u>2,959.98</u></u>	<u><u>2,307.80</u></u>

The entire revenue of the Company is generated in India.

**Timing of recognition:**

**For the year March 31, 2024**

	Timing of recognition	
	At a point in time	Over time
Food and beverages revenue	1,052.88	-
Room income	-	1,773.52
Other allied services (laundry income, airport transfers etc.)	133.58	-
	<u>1,186.46</u>	<u>1,773.52</u>

**For the year March 31, 2023**

	Timing of recognition	
	At a point in time	Over time
Food and beverages revenue	896.04	-
Room income	-	1,302.19
Income from rental and related services	-	1.66
Other allied services (laundry income, airport transfers etc.)	107.91	-
	<u>1,003.94</u>	<u>1,303.85</u>

**Contract Balances**

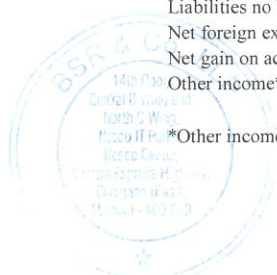
The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/ banquets. Revenue is recognized once the performance obligation is met i.e. on room stay/ sale of food and beverage/ provision of banquet services/ other allied services. The Company has recorded revenue of Rs. 66.40 millions (31 March 2023: Rs. 50.56 millions) against opening balance of contract liabilities.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Contract liabilities</b>		
- Advance from customers	80.51	97.51

**21 Other income**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets measured at amortised cost:		
- fixed deposits	25.59	39.93
- intercorporate deposits	103.73	9.49
Interest income from others	-	0.51
Liabilities no longer required written back	-	2.75
Net foreign exchange differences	2.04	1.54
Net gain on account of modification in liability towards environmental clearance	-	9.38
<b>Other income*</b>	<u>12.39</u>	<u>16.05</u>
	<u><u>143.75</u></u>	<u><u>79.65</u></u>

\*Other income mainly comprises of scrap sales and rental income



**SCHLOSS CHANAKYA PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees in millions, unless otherwise stated)

**22 Consumption of food and beverages**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of Inventory	42.96	35.54
Add: Purchases	224.76	194.05
	267.72	229.59
Less: Closing balance of Inventory	(55.92)	(42.96)
	<u>211.80</u>	<u>186.63</u>

**23 Employee benefits expense**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	386.41	330.28
Contribution to provident and other funds	17.83	15.17
Gratuity and compensated absences	8.43	9.08
Staff welfare expenses	50.06	37.41
	<u>462.73</u>	<u>391.94</u>

**24 Finance costs**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on:		
- term loan*	1,004.87	943.86
- overdraft	22.28	-
- unwinding of provision and liability	4.17	6.59
- compulsory convertible debentures	556.64	461.29
- others	0.43	-
Other borrowing costs	0.42	2.07
	<u>1,588.81</u>	<u>1,413.81</u>

\* Includes interest on working capital term loan of Rs. 179.38 millions (31 March 2023 Rs. 170.14 millions).

**25 Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	182.49	179.94
Amortisation of intangible assets	0.78	0.16
	<u>183.27</u>	<u>180.10</u>



**SCHLOSS CHANAKYA PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees in millions, unless otherwise stated)

**26 Other expenses**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and operating supplies	102.39	72.87
Power and fuel	149.48	130.22
Repairs and maintenance		
- buildings	33.46	42.42
- plant and machinery	29.08	30.22
- others	42.07	34.56
Insurance	9.12	9.96
Communication	4.46	3.48
Travelling and conveyance	18.12	9.80
Guest transportation	14.24	7.06
Printing and stationery	2.64	1.32
Reservation fees	5.52	8.43
Sales and credit card commission	113.42	78.68
Provision for doubtful debts	16.44	-
Business promotion	119.15	74.30
Management fees	190.84	146.21
Legal and professional fees	22.27	36.68
Payment to auditors (Refer Note below)	2.10	1.80
Rates and taxes	80.39	97.88
Bank charges	3.64	0.65
Net loss on disposal of property, plant and equipment	1.05	8.80
Miscellaneous expenses	74.05	52.84
	<u>1,033.93</u>	<u>848.18</u>

**Payment to auditor's (excluding taxes)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory audit fees	2.10	1.80
	<u>2.10</u>	<u>1.80</u>



27 Employee benefits obligations

(a) Defined contribution plan

The Company makes provident fund contributions to defined contribution plans for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable under these plans by the Company are at rates specified in the rules of the schemes. The contributions are charged to the statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund, employees state insurance and labour welfare fund for the period aggregated to Rs. 17.83 millions (PV amount: Rs.15.17 millions).

(b) Defined benefit plan

Gratuity:

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

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

The employees of HLV Limited were eligible and covered under the existing Group Gratuity-cum-Life assurance policies administered through HLV Limited, Employee Group Gratuity-cum- Life Assurance Scheme. On 16 October 2019, the Company and Hotel Leclaventure Limited has entered into a Business Transfer Agreement ("BTA") for acquisition of Delhi hotel operations (the "Hotel") of HLV Limited. Pursuant to BTA, there has been complete transfer of employment at the Hotel to the Company and the continuity of services for every employee at the Hotel was conserved. Pending transfer of plan assets and obligations under the existing policy of HLV Limited, Employee Group Gratuity Life Assurance Scheme to the new policy of Schloss Chanakya Private Limited as at the reporting date, the Company has considered the fair value of plan assets and obligations pertaining to the transferred employees at the hotel as accumulated under the existing policies for the purpose of actuarial valuation.

Particulars	Amount (in millions)	
	31 March 2024	31 March 2023
Present value of obligation	20.09	16.20
Fair value of plan assets	10.68	11.20
Net assets ( liability ) recognized in balance sheet as provision	(9.41)	(5.00)

Movement in net defined benefit obligation and plan assets

The following table shows a reconciliation from the opening balances to closing balances

Particulars	Defined benefit obligation		Fair value of plan assets		Net asset/liability	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Opening balance	16.20	18.35	11.21	12.04	(4.99)	(6.31)
Acquisition adjustment	-	-	-	-	-	-
Current Service Cost	3.17	3.47	-	-	(3.17)	(3.47)
Past Service Cost including curtailment Gains/Losses	-	-	-	-	-	-
Gains or Losses on Non routine settlements	-	-	-	-	-	-
Interest Cost/ Interest income on plan assets	1.22	1.33	0.70	4.80	(0.52)	3.47
Benefits paid	(3.49)	(8.00)	(3.49)	(8.00)	-	-
Employer Contribution	-	-	2.27	2.37	2.27	2.37
Actuarial loss/ (gain) arising from change in:	-	-	-	-	-	-
Demographic Assumption	-	-	-	-	-	-
Financial Assumption	-	-	-	-	-	-
Experience Adjustment	3.00	1.05	-	-	(3.00)	(1.05)
Actuarial (loss) gain on plan asset	-	-	-	-	-	-
Closing balance	20.09	16.20	10.68	11.21	(9.41)	(4.99)

Expense recognized in statement of profit and loss:

Particulars	31 March 2024	31 March 2023
Total Service Cost	3.17	3.47
Net Interest Cost	0.37	0.46
Expense recognized in the Income Statement	3.54	3.93

Remeasurements recognized in other comprehensive income:

Particulars	31 March 2024	31 March 2023
Actuarial (gain) loss for the year on PBO	3.00	1.05
Actuarial (gain) loss for the year on Asset	0.13	(3.93)
Actuarial (gain) loss for the period	3.13	(2.88)

Plan Assets:

Plan assets comprise the following:

Particulars	31 March 2024	31 March 2023
Funds Managed by Insurer	10.68	11.21
Coverage of plan asset	100%	100%

Actuarial assumptions were as follows:

Particulars	31 March 2024	31 March 2023
Discount rate	7.25%	7.39%
Future salary growth	8.00%	7.00%
Mortality rates inclusive of provision for disability	IAI/M(2012-14)	IAI/M(2012-14)
Attrition at Ages		
- Up to 30 Years	30.00%	2.00%
- From 31 to 44 years	25.00%	1.00%
- Above 44 years	2.00%	1.00%

Sensitivity analysis:

a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	20.09	16.20
Impact due to increase of 0.50%	(0.64)	(1.07)
Impact due to decrease of 0.50%	0.68	1.17
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	20.09	16.20
Impact due to increase of 0.50%	0.67	1.17
Impact due to decrease of 0.50%	(0.64)	(1.08)

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

Maturity Profile of Defined Benefit Obligation

Year	31 March 2024	31 March 2023
0 to 1 Year	3.30	0.59
1 to 2 Year	2.03	0.46
2 to 3 Year	1.71	0.18
3 to 4 Year	1.15	0.38
4 to 5 Year	1.14	0.30
5 to 6 Year	1.08	0.49
6 Year onwards	9.68	13.80

Expected contribution for the next Annual reporting period:

Particulars	Amount (in millions)
Service Cost	3.51
Net Interest Cost	0.68
Expected Expense for the next annual reporting period	4.19

c) Compensated absences

The compensated absences (non-funded) for the period ended 31 March 2024 amounting to Rs. 4.89 millions (PV amount Rs. 1.99 millions) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.





SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

28 Earnings per share

Computation of earnings per share		
Particulars	31 March 2024	31 March 2023
Loss attributable to equity shareholders for basic EPS	(376.81)	(633.21)
Loss attributable to equity shareholders for diluted EPS	(376.81)	(633.21)
Weighted average number of shares to be considered for computing basic EPS	11,10,23,076	5,74,23,076
Weighted average number of shares to be considered for computing diluted EPS	11,10,23,076	5,74,23,076
Face value per share	10	10
Basic earnings per share (Rupees)	(3.39)	(11.03)
Diluted earnings per share (Rupees)	(3.39)	(11.03)
Reconciliation of earnings used in calculating earnings per share		
Particulars	31 March 2024	31 March 2023
Basic EPS		
Loss attributable to equity shareholders	(376.81)	(633.21)
Diluted EPS		
Loss attributable to equity shareholders	(376.81)	(633.21)
Loss attributable to be considered for diluted eps	(376.81)	(633.21)
Weighted average number of shares used as the denominator		
Particulars	31 March 2024	31 March 2023
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,74,23,076	5,74,23,076
Weighted average number of mandatorily convertible instruments (MCIs) (potential shares) included in the denominator in calculating basic earnings as per para 23 of Ind-AS 33*	5,36,60,000	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating basic and diluted earnings per share	11,10,23,076	5,74,23,076

29 Segment Reporting

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

A. Information about products and services

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

B. Information about geographical areas

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

C. Information about major customers

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

30 Leases

The Company has entered into contracts which qualify for lease as per the criteria specified under Ind AS 116. There are 2 recognition exemptions have been provided in Ind AS 116 for short term leases and low value leases. The contracts entered by the company are primarily for the purpose of accommodation of employees and for the term of less than 12 months. Hence, they qualify the exemption criteria for short term lease. For the rest of the contracts, the Company has the option to exit the lease by giving 2-3 months notice without any significant penalty. Based on expected use of such leased premises by the management they would qualify for short term lease exemption. Hence, the lease rentals has directly been charged to the statement of P&L.

31 Liability for environmental clearance

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

Particulars	Amount
Cost on remediation plan based on damage assessment due to violation	36.87
Natural resource and community resource augmentation plan	33.85
Activities to be completed under CER after the accordance of environmental clearance	36.25
Ecology and biodiversity conservation in Asooli/Bharu Sanctuary and Okhla Bird Sanctuary	2.80
	<u>109.87</u>

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

Particulars	31 March 2024	31 March 2023
Financial year 2021-22	24.45	24.45
Financial year 2022-23	23.50	23.50
Financial year 2023-24	61.12	61.12
	<u>109.07</u>	<u>109.07</u>

\* The Company has obtained extension in current year to spend the pending amount of Rs 36.20 millions as appearing in Note 16(b) till November 2024

32 Net debt reconciliation

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities for movement in the statement of cash flow are given below:

Particulars	Current Borrowings	Non-Current Borrowings
Balance as at 1 April 2023	426.12	15,610.29
Proceeds for the year (inclusive of security premium component)	665.50	-
Repayments for the year	-	(165.75)
Interest cost for the year (inclusive of fair valuation component)	-	(1,583.80)
Interest paid for the year	-	(1,125.87)
Modification gain on CDOs	-	(283.69)
Less: Cash and cash equivalents	-	(652.33)
Balance as at 31 March 2024	<u>1,091.62</u>	<u>15,556.48</u>

33 Financial instruments – Fair values and risk management

Note 33.1: Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

As at 31 March 2024

Particulars	Carrying amount				Fair value			
	FVTPL	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>								
Trade receivables	-	94.43	-	94.43	-	-	94.43	94.43
Loans	-	1,205.00	-	1,205.00	-	-	1,205.00	1,205.00
Cash and cash equivalents	-	52.33	-	52.33	-	-	52.33	52.33
Bank balances other than cash and cash equivalents	-	191.52	-	191.52	-	-	191.52	191.52
Other financial assets	-	446.91	-	446.91	-	-	446.91	446.91
	-	<u>1,990.19</u>	-	<u>1,990.19</u>	-	-	<u>1,990.19</u>	<u>1,990.19</u>
<b>Financial liabilities:</b>								
Borrowings (including current maturity)	-	16,709.50	-	16,709.50	-	-	16,709.50	16,709.50
Trade payables	-	393.04	-	393.04	-	-	393.04	393.04
Other financial liabilities	-	77.73	-	77.73	-	-	77.73	77.73
	-	<u>17,180.27</u>	-	<u>17,180.27</u>	-	-	<u>17,180.27</u>	<u>17,180.27</u>



33 Financial instruments – Fair values and risk management (Continued):  
As at 31 March 2023

Particulars	Carrying amount				Fair value			
	FVTPL	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>								
Trade receivables	-	106.81	-	106.81	-	-	106.81	106.81
Loans	-	600.00	-	600.00	-	-	600.00	600.00
Cash and cash equivalents	-	289.20	-	289.20	-	-	289.20	289.20
Bank balances other than cash and cash equivalents	-	118.28	-	118.28	-	-	118.28	118.28
Other financial assets	-	169.72	-	169.72	-	-	169.72	169.72
	-	1,284.01	-	1,284.01	-	-	1,284.01	1,284.01
<b>Financial liabilities:</b>								
Borrowings (including current maturities)	-	16,036.41	-	16,036.41	-	-	16,036.41	16,036.41
Trade payables	-	277.09	-	277.09	-	-	277.09	277.09
Other financial liabilities	-	96.04	-	96.04	-	-	96.04	96.04
	-	16,409.54	-	16,409.54	-	-	16,409.54	16,409.54

Note 33.2: Financial risk management objectives and policies

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

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

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

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

A) Credit risk

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

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

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

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

Trade receivables

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

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The carrying amounts of trade receivables as disclosed in note number 10 represent the maximum credit risk exposure.

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

Year	1 to 60 days	61 to 120 days	120 to 180 days	Above 180 days	Gross receivable	Impairment	Net receivable
As at 31 March 2024	78.97	10.40	4.08	24.43	117.88	23.45	94.43
As at 31 March 2023	74.85	18.48	3.98	16.51	113.82	7.01	106.82

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

Particulars	As at 31 March 2024	As at 31 March 2023
Opening	7.01	9.75
Loss allowance recognised	16.44	0.76
Amounts written off	-	3.51
Closing	23.45	7.01

B) Liquidity risk

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

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

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

Exposure to liquidity risk

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

As at 31 March 2024	Carrying values	Contractual cash flows			
		0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>					
Non-current borrowings (including current maturities)	15,858.51	1,621.94	1,648.41	6,523.25	25,295.56
Current borrowings	850.99	850.99	-	-	-
Trade payables	393.03	393.03	-	-	-
Other financial liabilities (including current maturities)	77.73	77.48	0.25	-	-
	17,180.26	2,943.44	1,648.66	6,523.25	25,295.56

As at 31 March 2023	Carrying values	Contractual cash flows			
		0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>					
Non-current borrowings (including current maturities)	15,850.92	240.63	675.92	3,333.49	6,958.94
Current borrowings	185.49	185.49	-	-	-
Trade payables	277.10	277.10	-	-	-
Other financial liabilities (including current maturities)	96.04	32.73	63.31	-	-
	16,409.55	735.95	739.23	3,333.49	6,958.94

C) Market risk

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

Currency risk:

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

Year	USD	Euro	GBP
As at 31 March 2024	-	-	-
As at 31 March 2023	-	-	-

The Company have 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:

Non-designated	Currency pair	As at March 31, 2024			As at March 31, 2023		
		Average exchange rate	Notional value (Rs. in million)	Fair value	Average exchange rate	Notional value (Rs. in million)	Fair value
Buy	USD/Rs	83.71	17.53	-	82.79	29.26	-
Buy	EUR/Rs	91.09	0.10	-	102.70	0.43	-
Buy	GBP/Rs	105.75	0.48	-	90.69	1.44	-
				-			-



SCHLOSS CHANAKYA PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

33 Financial instruments – Fair values and risk management (Continued)

Risk management framework (Continued):  
Currency risk (Continued)

Sensitivity	As at 31 March 2024	As at 31 March 2023
USD sensitivity*		
Impact due to increase of 5%	-	-
Impact due to decrease of 5%	-	-
EUR sensitivity*		
Impact due to increase of 5%	-	-
Impact due to decrease of 5%	-	-
GBP sensitivity*		
Impact due to increase of 5%	-	-
Impact due to decrease of 5%	-	-

\* - Holding all other variables constant and the impact is entirely on profit before tax

Interest rate risk:

Interest rate risk can be either for value interest rate risk, or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates; of such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of existing interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Particulars (Principal amount)	As at 31 March 2024	As at 31 March 2023
Fixed rate instruments		
Companily convertible debentures	5,360.00	5,360.00
Variable rate instruments		
Term loan from bank	11,033.89	11,208.98
	<u>16,393.89</u>	<u>16,568.98</u>

Cash flow sensitivity analysis for variable rate instruments:

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax and equity before tax by the amounts shown below. This analysis assumes that all other variables remain constant

Variable rate instruments (Movements - 50 basis points)	31/03/2024		31/03/2023	
	Strengthening	Weakening	Strengthening	Weakening
Cash flow sensitivity (net)	(85.17)	55.17	(56.04)	56.04
	<u>(85.17)</u>	<u>55.17</u>	<u>(56.04)</u>	<u>56.04</u>

34 Tax expense

Particulars	31 March 2024	31 March 2023
(a) Income tax expense		
Current tax	-	-
Current tax on profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
(Increase/decrease) in deferred tax assets	-	-
(Decrease/increase) in deferred tax liabilities	-	-
Total deferred tax expense/benefit	-	-
Income tax expense	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	31 March 2024	31 March 2023
Profit before income tax expense	(976.81)	(633.21)
Tax on above @ 28%	(273.51)	(177.30)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items allowable on payment basis not recognised in statement of profit and loss	(2.41)	(9.17)
Unrecognised tax losses and unabsorbed depreciation	100.96	168.81
Income tax expense	-	-

(c) Deferred tax

Particulars	Balance as at 31 March 2023	Accounted through statement of profit and loss Charge/(credit)	Accounted through OCI Charge/(credit)	Accounted through other equity Charge/(credit)	Balance as at 31 March 2024
Deferred tax liability:					
Property, plant and equipment	170.04	43.49	-	-	213.53
Intangible assets including Goodwill	120.96	(120.69)	-	-	8.27
Companily Convertible Debentures	176.41	(176.41)	-	-	-
Reconciliation of liabilities at fair value	-	-	-	-	-
Deferred tax assets:					
Borrowings	(92.01)	(1.28)	-	-	(93.29)
Provision for employee benefits	(2.54)	(2.41)	-	-	(4.95)
Disallowance as per Income-tax Act, 1961	(3.45)	(4.67)	-	-	(8.12)
Others	(369.41)	281.97	-	-	(81.44)
Carry forward losses and unabsorbed depreciation	-	-	-	-	-

Particulars	Balance as at 31 March 2022	Accounted through statement of profit and loss Charge/(credit)	Accounted through OCI Charge/(credit)	Accounted through other equity Charge/(credit)	Balance as at 31 March 2023
Deferred tax liability:					
Property, plant and equipment	121.05	48.99	-	-	170.04
Intangible assets including Goodwill	120.69	0.27	-	-	120.96
Companily Convertible Debentures	172.44	(196.03)	-	-	176.41
Reconciliation of liabilities at fair value	0.58	(1.58)	-	-	-
Deferred tax assets:					
Borrowings	(91.40)	(0.61)	-	-	(92.01)
Provision for employee benefits	(2.37)	(0.17)	-	-	(2.54)
Disallowance as per Income-tax Act, 1961	-	-	-	-	-
Others	(2.38)	(1.47)	-	-	(3.85)
Carry forward losses and unabsorbed depreciation	(418.02)	48.61	-	-	(369.41)

(i) Deferred tax assets have been recognised based on an evaluation of whether it is probable that taxable profits will be earned in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of Directors.  
(ii) Deferred tax assets have not been recognised in respect of tax losses of Rs. 3008.77 million (31 March 2023: Rs. 2,050.41 million) as its recovery is not considered probable in the foreseeable future. Such losses relate to the business of the Company.

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

Expiry periods	As at 31 March 2024 (Rs. Mn)	As at 31 March 2023 (Rs. Mn)
Within five years	1,087.54	378.63
Later than five years but less than eight years	-	-
No expiry	1,080.83	1,670.76



35 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	31 March 2024	31 March 2023
Claims against the Company not acknowledged as debts (Refer note (i) below)	2,929.70	2,828.10
Disputed statutory liabilities (refer note (ii) below)	11.16	8.08
	<u>2,940.86</u>	<u>2,836.17</u>

Notes:

(i) The breakup of claims against the Company not acknowledged as debts is as under:

Particulars	31 March 2024	31 March 2023
FAR - New Delhi Municipal Council ("NDMC") (Refer note (a) below)	2,928.62	2,825.23
Proceeding under The Minimum Wages Act, 1948 (Refer note (b) below)	1.08	1.08
Proceedings for non-refund of amount on cancellation of booking (Refer note (c) below)	-	1.79
	<u>2,929.70</u>	<u>2,828.10</u>

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

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

(c) In the recovery proceedings filed for non refund of amount on cancellation of booking by a customer against HLV Limited (erstwhile owner), praying for a decree for a sum of Rs 1.25 millions and future interest thereupon at the rate of 18% per annum, from the date of the filing of the present suit till it's realization. The matter has been closed in favour of the company in the current year.

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

Particulars	31 March 2024	31 March 2023
Department in appeals		
Service tax *	11.16	8.08
	<u>11.16</u>	<u>8.08</u>

\* Service tax department has levied service tax on complimentary services during the period from July 2012 to June 2017. The matter is currently pending before CESTAT. Against this Rs.0.37 millions is paid under protest.

(b) Commitments

Estimated amount of contracts remaining to be executed on account of purchase of property, plant and equipment and not provided for (net of advances) amounts to Rs. 29.90 millions (31 March 2023: Rs 0.48 millions).



**SCHLOSS CHANAKYA PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

**36 Related party disclosures**

**(a) Names of related parties**

**(i) Holding company**

BSREP III India Ballet I Pte. Ltd., Holding company

**(ii) Key managerial personnel**

Mr. Anupam Das Gupta, General Manager (w.e.f 11 January 2021)  
Mr. Vijaypal Singh, Financial Controller (w.e.f 1 November 2021 till 9 December 2022)  
Mr. Prem Pareek, Director of Finance (w.e.f 1 December 2022)  
Ms. Anuja Dubey, Company Secretary (Till 10 March 2023)  
Mr. Sougata Kundu, Director (w.e.f 22 September 2023)

**(iii) Fellow subsidiaries**

Tulsi Palace Resort Private Limited  
Schloss HMA Private Limited  
Schloss Bangalore Private Limited  
Schloss Chennai Private Limited  
Schloss Udaipur Private Limited  
Schloss Gandhinagar Private Limited  
Leela Palaces and Resorts Limited  
Moonburg Power Private Limited (w.e.f 29 March 2023)  
Schloss Tadoba Private Limited (w.e.f 16 August 2022)  
Brookprop Property Management Services Pvt Ltd (Formerly Brookprop Management Services Pvt Ltd)  
Arliga India Office Parks Private Limited  
Witwicky One Private Limited  
Summitt Digital Infrastructure Pvt Ltd

**(b) Transactions during the year/period**

*(Rupees in millions)*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Management fees expense</b>		
Schloss HMA Private Limited	190.84	146.21
<b>Reimbursement of expenses paid to / (received from)</b>		
Schloss HMA Private Limited	31.41	19.37
Schloss Bangalore Private Limited	0.39	0.24
Schloss Udaipur Private Limited	3.94	8.31
Schloss Chennai Private Limited	2.72	11.78
Schloss Gandhinagar Private Limited	-	-0.05
Tulsi Palace Resort Private Limited	7.97	4.38
<b>Interest income on capex limit utilisation (refer note 15A)</b>		
Schloss Chennai Private Limited	20.29	8.22
Schloss Udaipur Private Limited	8.16	2.37
<b>Interest on 10.50% unsecured compulsorily convertible debentures</b>		
BSREP III India Ballet I Pte. Ltd.	556.64	613.03
<b>Inter corporate deposit given</b>		
Schloss Bangalore Private Limited	605.00	-
Leela Palaces and Resorts Limited	50.50	-
Schloss HMA Private Limited	-	600.00
<b>Inter corporate deposit settlement</b>		
Leela Palaces and Resorts Limited	(50.50)	-
Schloss Bangalore Private Limited	-	117.94
<b>Interest expense/(income) on inter corporate deposit</b>		
Schloss HMA Private Limited	(75.21)	(0.21)
Leela Palaces and Resorts Limited	(1.33)	-
Schloss Bangalore Private Limited	(27.19)	(9.29)
<b>Revenue</b>		
Arliga India Office Parks Private Limited	0.28	-
Brookprop Property Management Services Pvt Ltd (Formerly Brookprop Management Services Pvt Ltd)	2.90	-
Witwicky One Private Limited	0.01	-
<b>Other Income</b>		
Summitt Digital Infrastructure Pvt Ltd	1.05	0.76
<b>Managerial remuneration *</b>		
<b>Short term employee benefits</b>		
Mr. Anupam Das Gupta	17.65	16.08
Mr. Vijaypal Singh	-	2.09
Mr. Prem Pareek	3.64	1.20
Ms. Anuja Dubey**	-	0.90

\* 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.

\*\* The financial statements have not been authenticated by a whole time secretary as required under Section 134 of the Act. The Company's whole time secretary left the organization w.e.f. 10 March 2023 and the Company is currently in the process of appointing a whole time secretary as required under Section 203 of the Act.



**SCHLOSS CHANAKYA PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2024 (Continued)  
(All amounts in Indian rupees in millions, unless otherwise stated)

**36 Related party disclosures (Continued)**

<b>(c) Outstanding balances</b>		<i>(Rupees in millions)</i>	
<b>Particulars</b>	<b>31 March 2024</b>	<b>31 March 2023</b>	
<b>Trade payables (Including accruals)</b>			
Schloss HMA Private Limited	203.49	142.14	
Schloss Chennai Private Limited	1.82	-	
Tulsi Palace Resort Private Limited	4.97	-	
Schloss Udaipur Private Limited	7.00	5.01	
<b>Trade receivable</b>			
Schloss Gandhinagar Private Limited	0.04	0.12	
Schloss Bangalore Private Limited	0.80	0.28	
Schloss Chennai Private Limited	-	0.90	
Summitt Digital Infrastructure Pvt Ltd	0.07	0.03	
Brookprop Property Management Services Pvt Ltd (Formerly Brookprop Management Services Pvt Ltd)	3.20	-	
<b>Reimbursement (receivable)/payable</b>			
Schloss HMA Private Limited	-	(15.77)	
Tulsi Palace Resort Private Limited	-	(1.67)	
<b>Inter corporate deposit given</b>			
Schloss Bangalore Private Limited	605.00	-	
Schloss HMA Private Limited	600.00	600.00	
<b>Interest Receivable on Inter corporate deposit</b>			
Schloss Bangalore Private Limited	24.47	-	
Leela Palaces and Resorts Limited	1.20	-	
Schloss HMA Private Limited	67.87	0.18	
<b>Interest accrued but not due on 10.50% unsecured compulsorily convertible debentures</b>			
BSREP III India Ballet I Pte. Ltd.	1,567.04	999.46	
<b>10.50% unsecured compulsorily convertible debentures (at Instrument's issue value)</b>			
BSREP III India Ballet I Pte. Ltd.	5,360.00	5,360.00	

**(d) Corporate guarantee**

Company's fellow subsidiaries i.e. Schloss HMA Private Limited and Leela Palaces and Resorts Limited and the intermediate holding company i.e. BSREP III India Ballet Pte Ltd. have given corporate guarantee and other related parties also created charge over their total assets for the term loan facility availed by the company.

**(e) Other Security**

Company's fellow subsidiaries, i.e. Leela Palace Resorts Limited have extended the mortgage on the land for the term loan availed by the Company. Further, there is pledge of 30% shares of the Company held by BSREP III India Ballet I Pte. Ltd., Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.

**(f) Names of Related parties where control exists**

BSREP III India Ballet I Pte. Ltd. ( Holding Company), BSREP III India Ballet Pte. Ltd., Intermediate Holding Company, and Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.) (Ultimate controlling party)

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



Ratio Analysis and its elements\*

Ratio Analysis	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Reason for
<b>Current Ratio</b>	Current Assets	Current Liabilities excluding current maturities of long-term borrowings	1.23	2.46	-50.24%	Reduction in current ratio is due to short-term borrowings availed during the year.
<b>Debt Equity Ratio</b>	Non - Current Borrowings + Current Borrowings	Total Equity	4.91	4.58	7.14%	Increase in debt equity ratio is primarily on account of (i) Increase in debt on account of new debt drawdown and increase in liability component of CCD, and (ii) Reduction in equity on account of business losses during the year.
<b>Debt Service Coverage Ratio</b>	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	1.08	0.86	25.77%	Increase in debt service coverage ratio is primarily on account of better EBITDA in current year.
<b>Return on Equity Ratio</b>	Net Profit after taxes	Average Total Equity	-0.11	-0.17	-34.23%	Reduction in ratio is primarily on account of increase in revenue and profitability of current year
<b>Inventory Turnover Ratio</b>	Cost of Goods sold	Average Inventory	2.71	2.78	-2.34%	No material change
<b>Trade Receivables Turnover Ratio</b>	Revenue from operations	Average Trade Receivables	29.42	32.08	-8.30%	Reduction in Trade Receivables turnover ratio is primarily on account of higher receivables vs last year
<b>Trade Payables Turnover Ratio</b>	Net Purchases	Average Trade Payables	0.67	0.86	-22.02%	Reduction in Trade Payables turnover ratio is primarily on account of higher payables vs last year
<b>Net Capital Turnover Ratio</b>	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	5.17	2.64	95.51%	Improvement in ratio is primarily on account of increase in revenue of current year
<b>Net Profit Ratio</b>	Net Profit after tax	Net Sales	-0.13	-0.27	53.60%	Improvement in Net profit ratio is primarily on account of increase in revenue and profitability of current year
<b>Return on Capital employed</b>	EBIT	Capital Employed	0.03	-0.02	-285.21%	Reduction in return on capital employed is primarily on account of increase in finance cost for the year

\* The Company has reported the following ratios due to the reasons given below:  
a. Return on investment: The Company does not hold any funds/investment



- 38 Transaction with Struck off Companies  
The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
- 39 Information with regard to other matters specified in Schedule III of the Act:  
i) As on March 31, 2024 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.  
ii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.  
iii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.  
iv) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.  
v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.  
vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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).

40 Subsequent Event  
Schloss Chanakya Private Limited has entered into a share purchase agreement dated May 31, 2024 for purchase of 100% (one hundred percent) of the issued and paid up equity share capital of Schloss Udampur Private Limited and Moonburg Power Private Limited and 50% (fifty percent) of the issued and paid up equity share capital of Tulsi Palace Resort Private Limited from its shareholder's on such terms and conditions as prescribed therein

As per our report of even date attached

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

  
Jaymin Sheeth  
Partner

Membership Number: 114583

Place: Mumbai  
Date: 18 June 2024

For and on behalf of the board of directors of  
Schloss Chanakya Private Limited  
CTIN: U55100DL2019PTC347562

  
Anupam Dasgupta  
Director  
DIN: 09497530

Place: Delhi  
Date: 18 June 2024



Sougata Kundu

Director  
DIN: 07091941

Place: Mumbai  
Date: 18 June 2024