

## Independent Auditor's Report

### To the Members of Schloss Chennai Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Schloss Chennai Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 2023, and its loss 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 cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 Chennai 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 Chennai Private Limited**

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss 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 Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the Note 45 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 it's knowledge and belief, as disclosed in the Note 46 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 have neither declared nor paid any dividend during the year.

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

**Schloss Chennai Private Limited**

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

In our opinion and according to the information and explanations given to us, the 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.:101248WW-100022



**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 27 September 2023

Membership No.: 114583

ICAI UDIN:23114583BGZDAS4701

**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chennai Private Limited for the year ended 31 March 2023**

**(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 three years. In accordance with this programme, property, plant and equipment were verified during the year based on the listing as at 31/03/2022 . In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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 or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not made any investments in the companies, firms, limited liability partnership or any other parties. The Company has not provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has granted unsecured loans to employees during the year in respect of which the requisite information is as below.
- (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 employees as below:



**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chennai Private Limited for the year ended 31 March 2023 (Continued)**

| Particulars   | Loans |
|---|-------|
| Aggregate amount during the year<br>Employee Loan             | 0.85  |
| Balance outstanding as at balance sheet date<br>Employee Loan | 0.53  |

- (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 provided 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 in case of employee loans (as per the policy of the Company loan is interest free) the schedule of repayment is stipulated. The payment of principal and interest has 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 loans 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 either repayable on demand or without specifying any terms or period of repayment except for following loans and advances as stated below :

|  | Related Parties |
|--|-----------------|
| Aggregate of loans                     |                 |
| - Repayable on demand                  | 400             |
| Percentage of loans to the total loans | 99.87%          |

- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 of the Act in respect of loans covered by the said section. The Company does not have any guarantee given or security provided to which Section 185 and 186 of the Act is applicable. According to the information and explanation given to us, the provisions of Section 186 of the Act in respect of the loan given, are not applicable to the Company, since it is covered as a Company engaged in business of providing infrastructural facilities. According to the information and explanation given to us there is no investment made by the Company and accordingly Section 186 in respect of investment is not applicable to the Company.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chennai Private Limited for the year ended 31 March 2023 (Continued)**

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise 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 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 or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Value added tax or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us by the management, the company has not raised funds on short term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (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 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private

**Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss Chennai Private Limited for the year ended 31 March 2023 (Continued)**

- 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, 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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year but has incurred cash losses of Rs. 560.12 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



**Annexure A to the Independent Auditor's Report on the Financial Statements  
of Schloss Chennai Private Limited for the year ended 31 March 2023  
(Continued)**

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.:101248WW-100022



**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 27 September 2023

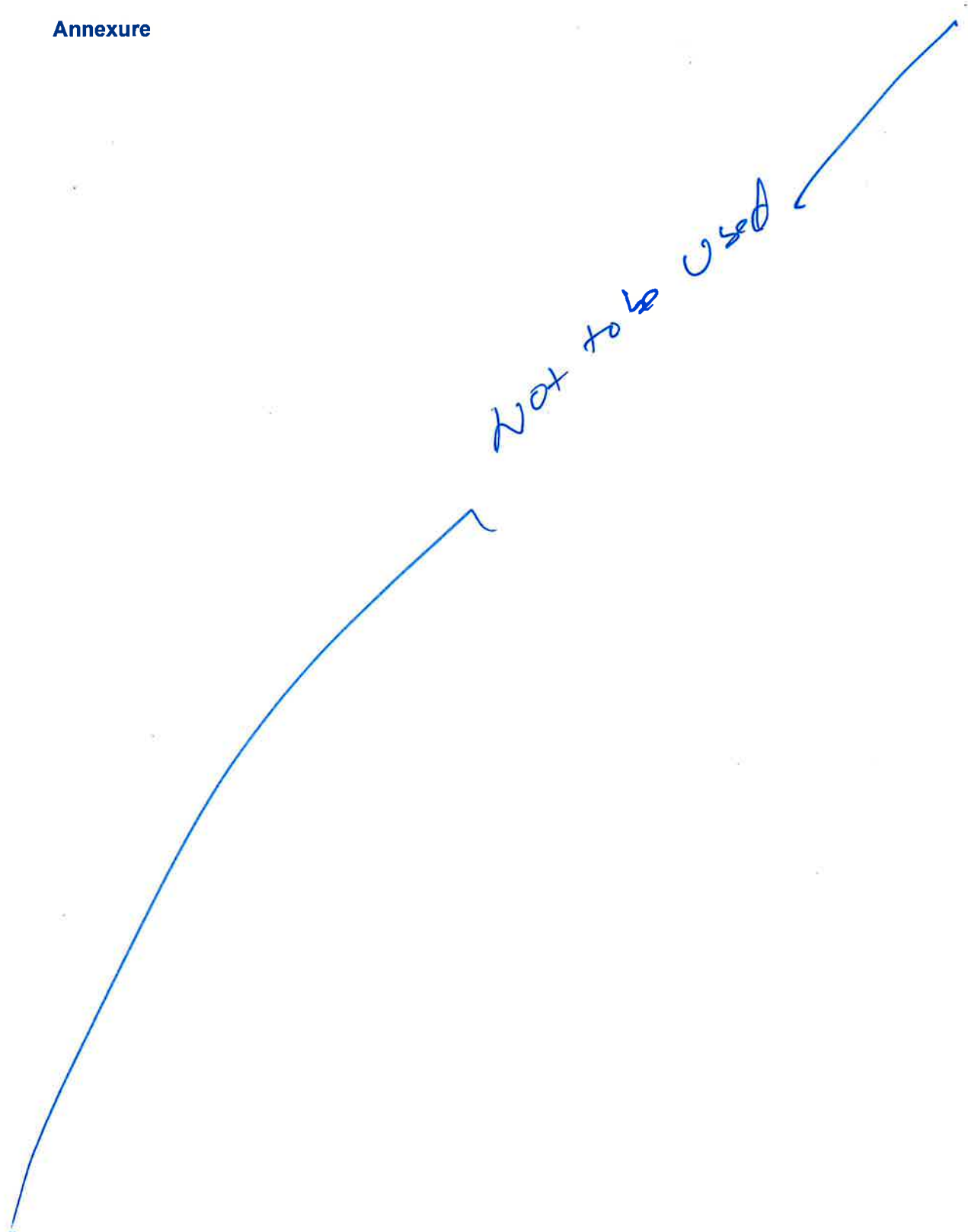
Membership No.: 114583

ICAI UDIN:23114583BGZDAS4701

**Annexure A to the Independent Auditor's Report on the Financial Statements  
of Schloss Chennai Private Limited for the year ended 31 March 2023  
(Continued)**

**Annexure**

Not to be used



**Annexure B to the Independent Auditor's Report on the financial statements of Schloss Chennai Private Limited for the year ended 31 March 2023**

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

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Schloss Chennai Private Limited ("the Company") as of 31 March 2023 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 2023, 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 Chennai Private Limited for the year ended 31 March 2023 (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.:101248WW-100022



**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 27 September 2023

Membership No.: 114583

ICAI UDIN:23114583BGZDAS4701

**SCHLOSS CHENNAI PRIVATE LIMITED**  
Balance Sheet as at 31 March 2023

| Particulars  | Note | (Rupees in millions)   |                        |
|--|------|------------------------|------------------------|
|  |      | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>EQUITY AND LIABILITIES</b>  |      |                        |                        |
| <b>Shareholders' funds</b>   |      |                        |                        |
| Share capital  |      |                        |                        |
| Reserves and surplus   | 3    | 172.39                 | 172.39                 |
|  | 4    | (217.60)               | (116.90)               |
|  |      | (45.21)                | 55.49                  |
| <b>Non-current liabilities</b>   |      |                        |                        |
| Long-term borrowings   |      |                        |                        |
| Other long term liabilities  | 5    | 7,825.93               | 7,822.10               |
| Long-term provisions   | 6    | 272.42                 | 131.38                 |
|  | 7    | 6.34                   | 6.37                   |
|  |      | 8,104.69               | 7,959.85               |
| <b>Current liabilities</b>   |      |                        |                        |
| Short-term borrowings  |      |                        |                        |
| Trade payables   | 8    | 341.25                 | 249.87                 |
| - Dues of micro enterprises and small enterprises                      | 9    |                        |                        |
| - Dues of creditors other than micro enterprises and small enterprises |      | 9.52                   | 0.19                   |
| Other current liabilities  |      | 162.96                 | 62.51                  |
| Short-term provisions  | 10   | 204.26                 | 150.18                 |
|  | 11   | 0.44                   | 0.34                   |
|  |      | 718.43                 | 463.09                 |
| <b>Total</b>   |      | <b>8,777.91</b>        | <b>8,478.43</b>        |
| <b>ASSETS</b>  |      |                        |                        |
| <b>Non-current assets</b>  |      |                        |                        |
| Property, plant and equipment and intangible assets                    |      |                        |                        |
| Property, plant and equipment  |      |                        |                        |
| Intangibles assets   | 12   | 6,904.96               | 6,822.28               |
| Capital work in progress   | 13   | 3.43                   | 2.76                   |
| Deferred tax assets (net)  | 14   | 61.09                  | 1.50                   |
| Long-term loans and advances   | 15   | -                      | -                      |
| Other non-current assets   | 16   | 53.50                  | 38.91                  |
|  | 17   | 95.87                  | 68.02                  |
|  |      | 7,118.85               | 6,933.47               |
| <b>Current assets</b>  |      |                        |                        |
| Inventories  |      |                        |                        |
| Trade receivables  | 18   | 71.41                  | 47.95                  |
| Cash and bank balances   | 19   | 47.15                  | 29.08                  |
| Short-term loans and advances  | 20   | 942.77                 | 909.86                 |
| Other current assets   | 21   | 495.56                 | 517.21                 |
|  | 22   | 102.17                 | 40.86                  |
|  |      | 1,659.06               | 1,544.96               |
| <b>Total</b>   |      | <b>8,777.91</b>        | <b>8,478.43</b>        |

**Significant accounting policies**

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

*J. H. Sheth*

**Jaymin Sheth**

Partner

Membership Number: 114583

Place: Mumbai

Date: 27 September 2023

**For and on behalf of the board of directors of  
Schloss Chennai Private Limited**

CIN: U55101DL2019PTC346475

*Amitnag Bhatnagar*

Director

DIN: 07967035

Place: Mumbai

Date: 27 September 2023

*Ravi Shankar*

**Ravi Shankar**

Director

DIN: 07967039

Place: Mumbai

Date: 27 September 2023





**SCHLOSS CHENNAI PRIVATE LIMITED**  
**Statement of profit and loss for the year ended 31 March 2023**

(Rupees in millions)

| Particulars  | Note | For the year ended 31<br>March 2023 | For the year ended<br>31 March 2022 |
|--|------|-------------------------------------|-------------------------------------|
| Revenue from operations                            | 23   | 1,781.99                            | 721.88                              |
| Other income                                       | 24   | 100.31                              | 69.07                               |
| <b>Total Income</b>                                |      | <b>1,882.30</b>                     | <b>790.95</b>                       |
| <b>Expenses</b>                                    |      |                                     |                                     |
| Consumption of food and beverages                  | 25   | 188.46                              | 100.14                              |
| Employee benefits expense                          | 26   | 285.70                              | 206.21                              |
| Finance costs                                      | 27   | 721.69                              | 635.76                              |
| Depreciation and amortisation expense              | 28   | 161.69                              | 166.54                              |
| Other expenses                                     | 29   | 625.46                              | 407.50                              |
| <b>Total expenses</b>                              |      | <b>1,983.00</b>                     | <b>1,516.15</b>                     |
| <b>Loss before tax</b>                             |      | <b>(100.70)</b>                     | <b>(725.20)</b>                     |
| <b>Tax expense</b>                                 |      |                                     |                                     |
| - Current tax                                      |      | -                                   | -                                   |
| - Deferred tax charge / (credit)                   |      | -                                   | -                                   |
| <b>Loss after tax</b>                              |      | <b>(100.70)</b>                     | <b>(725.20)</b>                     |
| <b>Earning per equity share (in rupees)</b>        |      |                                     |                                     |
| Basic earnings per share (Face value Rs.10 each)   | 34   | (5.84)                              | (42.07)                             |
| Diluted earnings per share (Face value Rs.10 each) |      | (5.84)                              | (42.07)                             |

**Significant accounting policies**

2

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

1-47

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: 27 September 2023

**For and on behalf of the board of directors of  
Schloss Chennai Private Limited**

CIN: U55101DL2019PTC346475

*Anurag Bhatnagar*

**Anurag Bhatnagar**

Director

DIN: 07967035

Place: Mumbai

Date: 27 September 2023

*Ravi Shankar*

**Ravi Shankar**

Director

DIN: 07967039

Place: Mumbai

Date: 27 September 2023



**SCHLOSS CHENNAI PRIVATE LIMITED**  
Cash flow statement for the year ended 31 March 2023

| Particulars  | (Rupees in millions)             | (Rupees in millions)             |
|--|----------------------------------|----------------------------------|
|  | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| <b>Cash flows from operating activities</b>                                    |                                  |                                  |
| Loss before tax for the period   | (100.70)                         | (725.20)                         |
| Adjustments for:   |                                  |                                  |
| Depreciation and amortisation  | 161.69                           | 166.54                           |
| Finance costs  | 721.68                           | 635.75                           |
| Net gain or loss on sale of property, plant and equipment                      | 0.54                             | (2.13)                           |
| Compensated absences written back  | -                                | (1.47)                           |
| Interest income  | (92.75)                          | (60.42)                          |
| <b>Operating cash flows before working capital changes</b>                     | <b>690.46</b>                    | <b>13.08</b>                     |
| <b>Working capital movements:</b>  |                                  |                                  |
| (Increase) in loans and advances   | (26.15)                          | (7.93)                           |
| (Increase) in inventories  | (23.46)                          | (2.28)                           |
| (Increase) in trade receivables  | (18.07)                          | (1.96)                           |
| (Increase) in other assets   | (36.10)                          | 26.72                            |
| Increase in trade payables   | 109.78                           | 5.11                             |
| Increase in other liabilities  | 99.02                            | 18.65                            |
| Increase in provisions   | 0.07                             | (3.62)                           |
| <b>Cash (used)/generated from operations</b>                                   | <b>795.55</b>                    | <b>47.77</b>                     |
| Income taxes paid, net   | (9.97)                           | (3.19)                           |
| <b>Net cash flows (used)/ generated from operating activities (A)</b>          | <b>785.58</b>                    | <b>44.58</b>                     |
| <b>Cash flows from investing activities</b>                                    |                                  |                                  |
| Purchase of property, plant and equipment including capital work in progress   | (310.11)                         | (57.32)                          |
| Proceeds from property, plant and equipment including capital work in progress | (0.54)                           | 2.13                             |
| Proceeds / investment in fixed deposits  | 483.60                           | 112.27                           |
| Inter-corporate deposits given, net  | -                                | (400.00)                         |
| Interest received  | 90.80                            | 31.29                            |
| <b>Net cash flows used in investing activities (B)</b>                         | <b>263.75</b>                    | <b>(311.63)</b>                  |
| <b>Cash flows from financing activities</b>                                    |                                  |                                  |
| Proceeds from long-term borrowings   | 95.21                            | 966.40                           |
| Repayment of long-term borrowings  | -                                | (5.60)                           |
| Finance costs paid (Refer note 5A.1(f))  | (625.57)                         | (460.05)                         |
| <b>Net cash flows generated from financing activities (C)</b>                  | <b>(530.36)</b>                  | <b>500.75</b>                    |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                       | <b>518.97</b>                    | <b>233.70</b>                    |
| Cash and cash equivalents as at beginning of the period                        | 359.86                           | 126.16                           |
| <b>Cash and cash equivalents at the end of the period</b>                      | <b>878.83</b>                    | <b>359.86</b>                    |
| <b>Components of cash and cash equivalents</b>                                 |                                  |                                  |
| Cash on hand   | 0.48                             | 0.59                             |
| Balance with banks   |                                  |                                  |
| -in current account  | 21.35                            | 68.27                            |
| -deposit with original maturity less than three months                         | 857.00                           | 291.00                           |
| <b>Total cash and cash equivalents (Refer note 20)</b>                         | <b>878.83</b>                    | <b>359.86</b>                    |

The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Accounting Standard -3 on "Cash Flow Statements" referred to in Companies Act, 2013.

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: 27 September 2023

For and on behalf of the board of directors of  
Schloss Chennai Private Limited  
CIN: U55101DL2019PTC346475



Anuraag Bhatnagar  
Director  
DIN: 07967035

Place: Mumbai  
Date: 27 September 2023



Ravi Shankar  
Director  
DIN: 07967039

Place: Mumbai  
Date: 27 September 2023



**1 Company information**

Schloss Chennai Private Limited ("the Company") an Indian subsidiary of Project Ballet Chennai Holdings (DIFC) Private Limited, was incorporated on 22 February 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October 2019 by acquiring Chennai hotel undertaking of HLV Limited. The Company is in the hospitality industry and operates hotel under the brand name of "THE LEELA".

**2 Significant accounting policies**

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

**2.1 Basis of preparation of financial statements**

The accompanying financial statements are prepared in compliance with the requirements under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard Amendment Rules, 2016) and other Generally Accepted Accounting Principles ("GAAP") in India, under the historical cost convention, on the accrual basis of accounting. The financial statements are prepared in Indian rupees in millions.

**2.2 Going Concern**

The Company has incurred a loss of Rs.100.7 millions during the year ended 31 March 2023, has accumulated losses of Rs.1673.89 millions and net worth of Rs.-45.21 millions at 31 March 2023.

This year the Company has seen quite an improvement in business over the previous year, as this year the Company has fully recovered from the impact of COVID-19.

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

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

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

**2.3 Use of estimates**

The preparation of financial statements in conformity with GAAP in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

**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:

- (a) it is expected to be realised in, or is intended for sale or consumption in the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current assets

All other assets are classified as non-current.

**Liabilities**

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

- (a) it is expected to be settled in the entity's normal operating cycle;
  - (b) it is held primarily for the purpose of being traded;
  - (c) it is due to be settled within twelve months after the balance sheet date; or
  - (d) 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.



**2.10 Property, plant and equipment (continued)**

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                                  | 5 years to 15 years                                |
| Plant and machinery - Windmill | 25 years                                  | 25 years   |
| Furniture and fixtures         | 8 years                                   | 8 years  |
| Office equipments              | 5 years                                   | Not Applicable                                     |
| Computers                      | 3 years                                   | Not Applicable                                     |
| Data processing units          | 6 years                                   | Not Applicable                                     |
| Vehicles                       | 6 years                                   | Not Applicable                                     |

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

**2.11 Intangible assets**

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

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

| Category of assets | Useful life (in years) |
|--------------------|------------------------|
| Computer software  | 6 years                |

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

**2.12 Impairment of assets**

In accordance with AS 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

**2.13 Taxation**

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

**Current tax**

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

**Deferred tax**

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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





**2.14 Employee benefits****Short-term 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.

**Long term employee benefits****Defined contribution plans**

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.

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 benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

**Other long-term employee benefits****Compensated absences**

The employees can carry forward a portion of the unutilised accrued compensated absences 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.

**2.15 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. 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.

**2.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**2.17 Provisions and contingent liabilities**

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

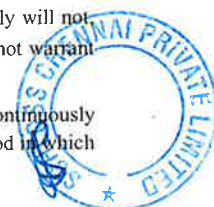
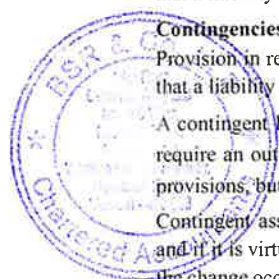
Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

**Contingencies:**

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

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

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





(Rupees in millions)

| Particulars   | As at         |               |
|---|---------------|---------------|
|   | 31 March 2023 | 31 March 2022 |
| <b>3 Share capital</b>  |               |               |
| <b>Authorised</b>   |               |               |
| 26,750,000 (Previous Year: 26,750,000) equity shares of Rs.10 each                | 267.50        | 267.50        |
|   | 267.50        | 267.50        |
| <b>Issued, subscribed and paid up</b>   |               |               |
| 17,239,130 (Previous Year: 17,239,130) equity shares of Rs.10 each, fully paid up | 172.39        | 172.39        |
|   | 172.39        | 172.39        |

## a) Reconciliation of number of shares and amounts at the beginning and at the end of the reporting period

(Rupees in millions)

| Particulars                   | As at 31 March 2023 |        | As at 31 March 2022 |        |
|-------------------------------|---------------------|--------|---------------------|--------|
|                               | No. of shares       | Amount | No. of shares       | Amount |
| At the beginning of the year  | 1,72,39,130         | 172.39 | 1,72,39,130         | 172.39 |
| Shares issued during the year | -                   | -      | -                   | -      |
| At the end of the year        | 1,72,39,130         | 172.39 | 1,72,39,130         | 172.39 |

## 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 / ultimate holding company

(Rupees in millions)

| Particulars  | As at 31 March 2023 |        | As at 31 March 2022 |        |
|--|---------------------|--------|---------------------|--------|
|  | No. of shares       | Amount | No. of shares       | Amount |
| <b>Equity shares of Rs. 10 each fully paid-up</b>                        |                     |        |                     |        |
| Project Ballet Chennai Holdings (DIFC) Private Limited, holding company  | 1,72,39,129         | 172.39 | 1,72,39,129         | 172.39 |
| BSREP III India Ballet Holdings (DIFC) Limited, ultimate holding company | 1                   | 0.00   | 1                   | 0.00   |
|  | 1,72,39,130         | 172.39 | 1,72,39,130         | 172.39 |

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

| Particulars   | As at 31 March 2023 |              | As at 31 March 2022 |              |
|---|---------------------|--------------|---------------------|--------------|
|   | No. of shares       | % of Holding | No. of shares       | % of Holding |
| <b>Equity shares of Rs. 10 each fully paid-up</b>                       |                     |              |                     |              |
| Project Ballet Chennai Holdings (DIFC) Private Limited, holding company | 1,72,39,129         | 99.999994%   | 1,72,39,129         | 99.999994%   |
|   | 1,72,39,129         | 99.999994%   | 1,72,39,129         | 99.999994%   |

## e) Terms of any securities convertible into equity shares

Refer note 5 for terms of conversion of Compulsorily Convertible Debentures into equity shares

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

## g) Disclosure of Shareholding of Promoters

| Equity shares of Rs. 10 each fully paid-up Promoters   | As at 31 March 2023 |              | As at 31 March 2022 |              | Change in % of Holding |
|--|---------------------|--------------|---------------------|--------------|------------------------|
|  | No. of shares       | % of Holding | No. of shares       | % of Holding |                        |
| Project Ballet Chennai Holdings (DIFC) Private Limited | 1,72,39,129         | 99.99999%    | 1,72,39,129         | 99.99999%    | -                      |
| BSREP III India Ballet Holdings (DIFC) Limited         | 1                   | 0.00001%     | 1                   | 0.00001%     | -                      |
|  | 1,72,39,130         | 100.00000%   | 1,72,39,130         | 100.00%      | -                      |



4 Reserves and surplus

| Particulars                                   | (Rupees in millions)   |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Securities premium account:</b>            |                        |                        |
| At the commencement of the year               | 1,456.29               | 1,456.29               |
| Add: Premium on shares issued during the year | -                      | -                      |
| At the end of the year                        | 1,456.29               | 1,456.29               |
| <b>Retained earnings:</b>                     |                        |                        |
| At the commencement of the year               | (1,573.19)             | (847.99)               |
| Add: Loss for the year                        | (100.70)               | (725.20)               |
| At the end of the year                        | (1,673.89)             | (1,573.19)             |
| <b>Total</b>                                  | <b>(217.60)</b>        | <b>(116.90)</b>        |

5 Long-term borrowings

| Particulars  | (Rupees in millions)   |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Secured:</b>  |                        |                        |
| <b>Term loans:</b>   |                        |                        |
| - From banks   |                        |                        |
| Rupee Term Loan (Refer note A.1)   | 5,192.19               | 4,871.98               |
| Less : Amount disclosed under short term borrowings (Refer note A.1(d) below)            | (60.00)                | (24.87)                |
|  | 5,132.19               | 4,847.11               |
| Working Capital Term Loan (Refer note A.2 and A.3)                                       | 1,574.99               | 1,799.99               |
| Less : Amount disclosed under short term borrowings (Refer note A.2(c) and A.3(c) below) | (281.25)               | (225.00)               |
|  | 1,293.74               | 1,574.99               |
| <b>Unsecured:</b>  |                        |                        |
| 10.50% unsecured compulsorily convertible debentures (Refer note B)                      | 1,400.00               | 1,400.00               |
|  | 1,400.00               | 1,400.00               |
| <b>Total</b>   | <b>7,825.93</b>        | <b>7,822.10</b>        |

Notes:

A.1 Term loan from bank

The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the Company and three co-borrowers i.e. Schloss Bangalore Private Limited, Schloss Udaipur Private Limited and Schloss Chanakya Private Limited, for a total amounting to Rs. 27,500.00 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment (Rs. 2,000 millions) fully fungible amongst each of the three co-borrowers and the Company's hotel property in Chennai. The door to door tenure of the loan is 15 years including moratorium of one year. The loan is repayable in 56 quarterly structured instalments 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. 5,015.90 millions (Previous Year: Rs. 4,800.00 millions) and rate of interest as on 31 March 2023 is 8.70 % p.a. (PY: 7.80 % 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 been 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, interalia, including:

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

(b) Corporate guarantee:

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

(c) Other security:

- Pledge of 30% shares of the Company held by the Project Ballet Chennai Holdings (DIFC) Private Limited, 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, ultimate holding company, ultimate 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, ultimate holding company, ultimate Holding 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 short term 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 FY 2022-23 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 for the period March, 2020 to August 2020 which has been further capitalised into term loan w.e.f. 01 October 2020 amount Rs. 203.03 Millions (Previous Year Rs. 203.03 Millions).

(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.



**SCHLOSS CHENNAI PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2023 (Continued)

**5 Long-term borrowings (Continued)**

Notes (Continued):

A.2 The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 2.0 (GECL 2.0) facility of Rs.900 millions (Previous Year: 900 millions) on 17 February, 2021 to the Company to augment net working capital requirements to meet operational liabilities. The door to door tenure of the loan is 5 years including moratorium of principal of one year. The loan is repayable in 48 quarterly structured instalments beginning 30 April 2022. The loan carries interest rate linked to lender's one year marginal cost of funds based lending rate ("MCLR"), plus 1%, subject to annual reset.

(a) Primary security:

Second charge on securities mentioned in A.1(a) above.

(b) Other security:

- i) Pledge of 30% shares of the Company held by the Project Ballet Chennai Holdings (DIFC) Private Limited, Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.
- ii) Extension of mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

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

A.3 The lender has granted a Working capital term Loan (WCTL) Facility under Guaranteed Emergency Credit Line 3.0 (GECL 3.0) facility of Rs.900 millions (Previous Year: 900 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 quarterly structured instalments 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.1(a) above.

(b) Other security:

- i) Pledge of 30% shares of the Company held by the Project Ballet Chennai Holdings (DIFC) Private Limited, Holding company, in favour of security trustee for the benefit of lenders for the entire term loan exposure.
- ii) Extension of mortgage on the land situated at Agra owned by Leela Palaces and Resorts Limited.

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

**B 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 both the parties i.e., CCD Holder and the company. Provided that the CCDs shall automatically stand converted into equity shares upon:

- (a) Commencement of the corporate insolvency resolution process of the Company or, any of the co-borrowers under the Common Facility Agreement dated 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.

(b) Restriction on payment of interest on CCDs:

As per terms of the Common Facility Agreement referred at clause 5(A.1 and A.2) above, interest on the CCDs shall be accrued but cannot be paid by the Company until all the obligations under Common Facility Agreement are paid completed or seized.

**6 Other long term liabilities**

(Rupees in millions)

| Particulars   | As at         | As at         |
|---|---------------|---------------|
|   | 31 March 2023 | 31 March 2022 |
| Others:   |               |               |
| - Interest accrue but not due CCD (Refer note 5B(b) & 27) | 269.07        | 128.63        |
| Trade / security deposits                                 | 3.35          | 2.75          |
|   | <u>272.42</u> | <u>131.38</u> |

**7 Long-term provisions**

(Rupees in millions)

| Particulars                      | As at         | As at         |
|----------------------------------|---------------|---------------|
|                                  | 31 March 2023 | 31 March 2022 |
| Provision for employee benefits: |               |               |
| - Compensated absences           | 3.26          | 1.94          |
| - Gratuity (Refer note 36)       | 3.08          | 4.43          |
|                                  | <u>6.34</u>   | <u>6.37</u>   |

**8 Short term Borrowings**

(Rupees in millions)

| Particulars  | As at         | As at         |
|--|---------------|---------------|
|  | 31 March 2023 | 31 March 2022 |
| Current maturities of long-term borrowings (Refer note 5A.1(d), note 5A.2(c) and note 5A.3(c)) | 341.25        | 249.87        |
|  | <u>341.25</u> | <u>249.87</u> |

**9 Trade payables**

(Rupees in millions)

| Particulars  | As at         | As at         |
|--|---------------|---------------|
|  | 31 March 2023 | 31 March 2022 |
| - Total outstanding dues of micro enterprises and small enterprises (Refer note below)   | 9.52          | 0.19          |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises |               |               |
| - Related parties (Refer note 35)  | 73.95         | -             |
| - Others   | 89.01         | 62.51         |
| Trade Payables   | 42.33         | 40.28         |
| Accrual for expenses   | 46.68         | 22.23         |
|  | <u>172.48</u> | <u>62.70</u>  |

Note:

Dues of micro enterprises and small enterprises

(Rupees in millions)

| Particulars  | As at         | As at         |
|--|---------------|---------------|
|  | 31 March 2023 | 31 March 2022 |
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | 9.52          | 0.19          |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | -             | -             |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                   | -             | 0.06          |
| 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 *   | -             | 0.00          |
| 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.

\* Interest due and payable towards suppliers registered under MSMED Act, for payments already made amounts to Rs 0 (Previous year: Rs. 43).



**SCHLOSS CHENNAI PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2023 (Continued)

**9 Trade payables (Continued)**

Trade payables ageing schedule  
As at 31 March 2023

| Particulars                 | Outstanding for following periods from date of transaction |                  |             |             |                   | Total         |
|-----------------------------|--|------------------|-------------|-------------|-------------------|---------------|
|                             | Accrued expenses   | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |               |
| (i) MSME                    | -  | 9.52             | -           | -           | -                 | 9.52          |
| (ii) Others                 | 46.68  | 116.28           | -           | -           | -                 | 162.96        |
| (iii) Disputed dues - MSME  | -  | -                | -           | -           | -                 | -             |
| (iv) Disputed dues - Others | -  | -                | -           | -           | -                 | -             |
| <b>Total</b>                | <b>46.68</b>   | <b>125.80</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>172.48</b> |

As at 31 March 2022

| Particulars                 | Outstanding for following periods from date of transaction |                  |             |             |                   | Total        |
|-----------------------------|--|------------------|-------------|-------------|-------------------|--------------|
|                             | Accrued expenses   | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |              |
| (i) MSME                    | -  | 0.19             | -           | -           | -                 | 0.19         |
| (ii) Others                 | 22.23  | 40.28            | -           | -           | -                 | 62.51        |
| (iii) Disputed dues - MSME  | -  | -                | -           | -           | -                 | -            |
| (iv) Disputed dues - Others | -  | -                | -           | -           | -                 | -            |
| <b>Total</b>                | <b>22.23</b>   | <b>40.47</b>     | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>62.70</b> |



10 Other current liabilities

(Rupees in millions)

| Particulars                                    | As at         |               |
|--|---------------|---------------|
|  | 31 March 2023 | 31 March 2022 |
| Current maturities of finance lease obligation | -             | -             |
| Trade / security deposits                      | -             | -             |
| Advance from customers                         | 116.95        | 54.51         |
| Employee dues payable                          | 26.80         | 12.29         |
| Statutory dues payable                         |               |               |
| - Tax deducted at source and equalisation levy | 24.77         | 22.72         |
| - Goods and service tax                        | 31.06         | 13.41         |
| - Provident fund                               | 2.09          | 1.47          |
| - Employees state insurance                    | 0.13          | 0.09          |
| - Value added tax                              | 2.46          | 1.36          |
| Interest accrued but not due on borrowings     | -             | 44.33         |
|  | <u>204.26</u> | <u>150.18</u> |

11 Short-term provisions

(Rupees in millions)

| Particulars                      | As at         |               |
|----------------------------------|---------------|---------------|
|                                  | 31 March 2023 | 31 March 2022 |
| Provision for employee benefits: |               |               |
| - Compensated absences           | 0.27          | 0.20          |
| - Gratuity (Refer note 36)       | 0.17          | 0.14          |
|                                  | <u>0.44</u>   | <u>0.34</u>   |





SCHLOSS CHENNAI PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2023 (Continued)

12. Property, Plant and equipment

(Rupees in millions)

|                                 | Building | Freehold land | Plant and machinery<br>(including windmill) | Property, Plant and equipment<br>Furniture and<br>fixtures | Office<br>equipments | Computers and<br>data processing<br>units | Vehicles | Total    |
|---------------------------------|----------|---------------|---|--|----------------------|---|----------|----------|
| <b>Gross block</b>              |          |               |   |  |                      |   |          |          |
| At 01 April 2021                | 2,242.12 | 4,264.05      | 592.86                                      | 108.11   | 0.75                 | 0.74                                      | 49.66    | 7,258.29 |
| Additions during the period     | -        | -             | 18.51                                       | 1.13   | 0.21                 | 43.66                                     | 1.42     | 64.93    |
| Disposals during the period     | -        | -             | 4.26  | 0.20   | 0.31                 | 0.02                                      | 0.90     | 5.69     |
| At 31 March 2022                | 2,242.12 | 4,264.05      | 607.11                                      | 109.05   | 0.64                 | 44.38                                     | 50.19    | 7,317.53 |
| Additions during the year       | -        | -             | 236.85                                      | 5.29   | -                    | 2.85                                      | -        | 244.99   |
| Disposals during the year       | -        | -             | 3.41  | -  | -                    | -   | -        | 3.41     |
| At 31 March 2023                | 2,242.12 | 4,264.05      | 840.55                                      | 114.34   | 0.64                 | 47.23                                     | 50.19    | 7,559.11 |
| <b>Accumulated depreciation</b> |          |               |   |  |                      |   |          |          |
| At 01 April 2021                | 61.23    | -             | 155.96                                      | 104.96   | 0.63                 | 0.27                                      | 9.46     | 332.51   |
| For the period                  | 42.01    | -             | 106.33                                      | 2.21   | 0.09                 | 7.51                                      | 8.17     | 166.32   |
| Disposals during the period     | -        | -             | 2.17  | 0.20   | 0.31                 | 0.00                                      | 0.90     | 3.58     |
| At 31 March 2022                | 103.24   | -             | 260.11                                      | 106.98   | 0.41                 | 7.78                                      | 16.73    | 495.25   |
| For the year                    | 42.01    | -             | 98.93                                       | 0.71   | 0.13                 | 10.99                                     | 8.36     | 161.13   |
| Disposals during the year       | -        | -             | 2.23  | -  | -                    | -   | -        | 2.23     |
| At 31 March 2023                | 145.25   | -             | 356.81                                      | 107.69   | 0.54                 | 18.79                                     | 25.09    | 654.15   |
| Net block at 31 March 2023      | 2,096.87 | 4,264.05      | 483.74                                      | 6.65   | 0.10                 | 28.44                                     | 25.10    | 6,904.96 |
| Net block at 31 March 2022      | 2,138.88 | 4,264.05      | 347.00                                      | 2.07   | 0.23                 | 36.59                                     | 33.46    | 6,822.28 |

13. Intangible assets

(Rupees in millions)

|                                 | Computer software | Total |
|---------------------------------|-------------------|-------|
| <b>Gross block</b>              |                   |       |
| At 01 April 2021                | 0.32              | 0.32  |
| Additions during the year       | 2.81              | 2.81  |
| Disposals during the year       | -                 | -     |
| At 31 March 2022                | 3.13              | 3.13  |
| Additions during the year       | 1.24              | 1.24  |
| Disposals during the year       | -                 | -     |
| At 31 March 2023                | 4.37              | 4.37  |
| <b>Accumulated amortisation</b> |                   |       |
| At 01 April 2021                | 0.16              | 0.16  |
| For the period                  | 0.21              | 0.21  |
| Disposals during the year       | -                 | -     |
| At 31 March 2022                | 0.37              | 0.37  |
| For the year                    | 0.57              | 0.57  |
| Disposals during the year       | -                 | -     |
| At 31 March 2023                | 0.94              | 0.94  |
| Net block at 31 March 2023      | 3.43              | 3.43  |
| Net block at 31 March 2022      | 2.76              | 2.76  |

14. Capital work in progress

(Rupees in millions)

|                                    |          |
|------------------------------------|----------|
| At 01 April 2021                   | 9.28     |
| Additions during the year          | 20.07    |
| Assets capitalised during the year | (27.85)  |
| At 31 March 2022                   | 1.50     |
| Additions during the year          | 210.16   |
| Assets capitalised during the year | (150.57) |
| At 31 March 2023                   | 61.09    |



SCHLOSS CHENNAI PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2023 (Continued)

Capital work in progress (CWIP) Ageing Schedule

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 | More than 3 years |       |
| Projects in progress           | 59.59  | -           | -           | 1.50              | 61.09 |
| Projects temporarily suspended | -  | -           | -           | -                 | -     |

As at 31 March 2022

| Capital work in progress       | Amount in Capital work in progress for a period of |             |             |                   | Total |
|--------------------------------|--|-------------|-------------|-------------------|-------|
|                                | Less than 1 year                                   | 1 - 2 years | 2 - 3 years | More than 3 years |       |
| Projects in progress           | -  | -           | 1.50        | -                 | 1.50  |
| Projects temporarily suspended | -  | -           | -           | -                 | -     |



| 15 Deferred tax assets (net)  |               |               |
|---|---------------|---------------|
| (Rupees in millions)  |               |               |
| Particulars   | As at         | As at         |
|   | 31 March 2023 | 31 March 2022 |
| The components of deferred tax balances are as follows:   |               |               |
| <i>(A) Deferred tax assets</i>  |               |               |
| <i>Arising on account of timing differences in:</i>   |               |               |
| Disallowance u/s 43B of the Income-tax Act, 1961  | 114.41        | 53.35         |
| Provision for trade and other receivables   | 2.03          | 1.96          |
| Unabsorbed depreciation / business loss (Refer note below)  | -             | 27.74         |
|   | <u>116.44</u> | <u>83.05</u>  |
| <i>(B) Deferred tax liability</i>   |               |               |
| <i>Arising on account of timing differences in:</i>   |               |               |
| Provision for employee benefits   | 2.23          | 2.50          |
| Excess of depreciation / amortisation on property, plant and equipment under income tax laws over depreciation / amortisation provided in the books | 114.21        | 80.55         |
|   | <u>116.44</u> | <u>83.05</u>  |
| <b>Deferred tax assets (net) - (A)-(B)</b>  | <u>-</u>      | <u>-</u>      |

**Note:**

In absence of virtual certainty, Deferred Tax Asset Rs. 470.18 millions (Previous Year Rs. 407.16 millions) on accounted depreciation/business losses and disallowance u/s 43B has not been recognised.

| 16 Long term loans and advances                            |               |               |
|--|---------------|---------------|
| (Rupees in millions)                                       |               |               |
| Particulars  | As at         | As at         |
|  | 31 March 2023 | 31 March 2022 |
| <i>Other than related parties</i>                          |               |               |
| Prepaid expenses   | 1.60          | 2.48          |
| Advance tax and tax deducted at source (net of provisions) | 20.38         | 10.41         |
| Capital advances   | 31.52         | 26.02         |
|  | <u>53.50</u>  | <u>38.91</u>  |

| 17 Other non-current Assets                              |               |               |
|--|---------------|---------------|
| (Rupees in millions)                                     |               |               |
| Particulars  | As at         | As at         |
|  | 31 March 2023 | 31 March 2022 |
| Security deposits  | 35.68         | 10.29         |
| <b>Other bank balances</b>                               |               |               |
| Deposits with remaining maturity for more than 12 months | 59.86         | 57.40         |
| Margin money deposit                                     | 0.33          | 0.33          |
|  | <u>95.87</u>  | <u>68.02</u>  |

| 18 Inventories                              |               |               |
|---|---------------|---------------|
| (At lower of cost and net realisable value) |               |               |
| (Rupees in millions)                        |               |               |
| Particulars                                 | As at         | As at         |
|   | 31 March 2023 | 31 March 2022 |
| Food and beverages                          | 28.49         | 20.60         |
| Stores and operating supplies               | 42.92         | 27.35         |
|   | <u>71.41</u>  | <u>47.95</u>  |

| 19 Trade receivables  |               |               |
|---|---------------|---------------|
| (Rupees in millions)  |               |               |
| Particulars   | As at         | As at         |
|   | 31 March 2023 | 31 March 2022 |
| <b>Receivables outstanding for a period exceeding six months from the date they were due for payment:</b> |               |               |
| - Unsecured, considered good  | -             | -             |
| - Unsecured, considered doubtful  | 2.66          | 3.18          |
|   | <u>2.66</u>   | <u>3.18</u>   |
| Less: Provision for doubtful receivables  | 2.66          | 3.18          |
|   | <u>-</u>      | <u>-</u>      |
| <b>Other receivables:</b>   |               |               |
| - Unsecured, considered good  | 47.15         | 29.08         |
|   | <u>47.15</u>  | <u>29.08</u>  |
|   | <u>47.15</u>  | <u>29.08</u>  |



**SCHLOSS CHENNAI PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2023 (Continued)

**19 Trade receivables (Continued)**

Trade receivables ageing schedule  
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      | 47.15  | -                 | -           | -           | -                 | 47.15        |
| (ii) Undisputed Trade Receivables - considered doubtful | -  | -                 | 2.66        | -           | -                 | 2.66         |
| (iv) Disputed Trade receivables - considered good       | -  | -                 | -           | -           | -                 | -            |
| (v) Disputed Trade receivables - considered doubtful    | -  | -                 | -           | -           | -                 | -            |
| Less: provision for doubtful debts                      | -  | -                 | (2.66)      | -           | -                 | (2.66)       |
| <b>Total</b>  | <b>47.15</b>   | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>47.15</b> |

As at 31 March 2022

| 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      | 29.08  | -                 | -           | -           | -                 | 29.08        |
| (ii) Undisputed Trade Receivables - considered doubtful | -  | 3.18              | -           | -           | -                 | 3.18         |
| (iv) Disputed Trade receivables - considered good       | -  | -                 | -           | -           | -                 | -            |
| (v) Disputed Trade receivables - considered doubtful    | -  | -                 | -           | -           | -                 | -            |
| Less: provision for doubtful debts                      | -  | (3.18)            | -           | -           | -                 | (3.18)       |
| <b>Total</b>  | <b>29.08</b>   | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>29.08</b> |



20 Cash and bank balances

| Particulars   | (Rupees in millions)   |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <i>Cash and cash equivalents:</i>   |                        |                        |
| Cash on hand  | 0.48                   | 0.59                   |
| Balance with banks  |                        |                        |
| - in current accounts   | 21.35                  | 68.27                  |
| - deposit with original maturity less than three months   | 857.00                 | 291.00                 |
| Other balances with banks   |                        |                        |
| - in deposit accounts with original maturity of greater than three months but less than twelve months | 63.94                  | 550.00                 |
|   | <u>942.77</u>          | <u>909.86</u>          |

21 Short-term loans and advances

| Particulars                                   | (Rupees in millions)   |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <i>Unsecured, considered good:</i>            |                        |                        |
| <i>To related parties (Refer note 35)</i>     |                        |                        |
| Reimbursement receivable from related parties | 1.04                   | -                      |
| Advance against management fees               | -                      | 46.26                  |
| Intercorporate Deposits                       | 400.00                 | 400.00                 |
| <i>Other than related parties</i>             |                        |                        |
| Security deposits                             | 2.29                   | 2.09                   |
| Advance to suppliers                          | 16.22                  | 12.52                  |
| Prepaid expenses                              | 40.15                  | 34.95                  |
| Balances with government authorities          | 35.08                  | 20.71                  |
| Loans and advances to employees               | 0.53                   | 0.45                   |
| Others  | 0.25                   | 0.23                   |
|   | <u>495.56</u>          | <u>517.21</u>          |

Loans or advances to related parties:

| Type of Borrower | As at<br>31 March 2023  |   | As at<br>31 March 2022  |   |
|------------------|---|---|---|---|
|                  | Amount of loan or<br>advance in the nature<br>of loan outstanding | % of total<br>Loans and<br>Advances in the<br>nature of loans | Amount of loan or<br>advance in the nature<br>of loan outstanding | % of the total<br>Loans and Advances<br>in the nature of<br>loans |
| Related Parties* | 400.00  | 100%  | 446.26  | 100%  |

\* Related parties with common directors.

22 Other current assets

| Particulars                                  | (Rupees in millions)   |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <i>To related parties (Refer note 35)</i>    |                        |                        |
| Receivable against business support services | 1.64                   | 0.08                   |
| Interest receivable                          | 45.25                  | 24.30                  |
| <i>Other than related parties</i>            |                        |                        |
| Unbilled revenue                             | 47.71                  | 11.65                  |
| Insurance Receivable                         | 0.79                   | -                      |
| Interest receivable                          | 6.78                   | 4.83                   |
|  | <u>102.17</u>          | <u>40.86</u>           |





**SCHLOSS CHENNAI PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2023 (Continued)

**23 Revenue from operations***(Rupees in millions)*

| Particulars  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| <b>(a) Sale of products:</b>   |                                     |                                     |
| Food and beverages revenue   | 899.04                              | 361.89                              |
| <b>(ii) Sale of services:</b>  |                                     |                                     |
| Room income  | 813.87                              | 335.32                              |
| Income from rental and related services  | 1.65                                | 1.88                                |
| Other allied services (laundry income, health club income, airport transfers, membership etc.) | 67.43                               | 22.79                               |
|  | <u>882.95</u>                       | <u>359.99</u>                       |
|  | <u>1,781.99</u>                     | <u>721.88</u>                       |

**24 Other income***(Rupees in millions)*

| Particulars  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Interest income  |                                     |                                     |
| - fixed deposit  | 37.29                               | 15.57                               |
| - from Intercorporate Deposit                                  | 53.67                               | 19.66                               |
| - others   | 1.79                                | 25.19                               |
| Compensation absences written back (Refer note 36)             | -                                   | 1.47                                |
| Gratuity written back (Refer note 36)                          | -                                   | 3.38                                |
| Net gain or loss on sale of property, plant and equipment      | -                                   | 2.13                                |
| Net gain on foreign currency transaction and translation (net) | 0.49                                | -                                   |
| Miscellaneous income   | 7.07                                | 1.67                                |
|  | <u>100.31</u>                       | <u>69.07</u>                        |

**25 Consumption of food and beverages***(Rupees in millions)*

| Particulars                            | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Inventory at the beginning of the year | 20.60                               | 14.40                               |
| Add: Purchases                         | 196.35                              | 106.34                              |
|  | <u>216.95</u>                       | <u>120.74</u>                       |
| Less: Inventory at the end of the year | 28.49                               | 20.60                               |
|  | <u>188.46</u>                       | <u>100.14</u>                       |

**26 Employee benefits expense***(Rupees in millions)*

| Particulars   | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| Salaries and wages  | 246.31                              | 175.68                              |
| Contribution to provident fund, employees state insurance and labour welfare fund (Refer note 36) | 10.52                               | 7.57                                |
| Gratuity and compensated absences (Refer note 36)   | 2.36                                | -                                   |
| Staff welfare expenses  | 26.51                               | 22.96                               |
|   | <u>285.70</u>                       | <u>206.21</u>                       |



**SCHLOSS CHENNAI PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2023 (Continued)

**27 Finance costs**
*(Rupees in millions)*

| Particulars  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Interest expense on:   |                                     |                                     |
| - Term loans *   | 559.11                              | 487.68                              |
| - Compulsorily convertible debentures (CCDs) **                                  | 160.51                              | 147.00                              |
| - Others   | -                                   | 0.05                                |
| Other borrowing costs (term loan upfront fee, processing fee, advisory fee etc.) | 2.07                                | 1.03                                |
|  | <u>721.69</u>                       | <u>635.76</u>                       |

\* Includes interest on working capital term loan of Rs. 143.3 millions.

\*\* During previous year, on request by the Company, the CCD holder had waived the interest till 31 March 2021.

**28 Depreciation and amortisation**
*(Rupees in millions)*

| Particulars                                  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Depreciation on Property, Plant & Equipments | 161.12                              | 166.33                              |
| Amortisation of intangible assets            | 0.57                                | 0.21                                |
|  | <u>161.69</u>                       | <u>166.54</u>                       |

**29 Other expenses**
*(Rupees in millions)*

| Particulars  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Consumption of stores and operating supplies                   | 57.94                               | 31.62                               |
| Power and fuel   | 117.32                              | 111.06                              |
| Rent (Refer note 39)   | 0.16                                | 0.01                                |
| Repairs and maintenance  |                                     |                                     |
| - buildings  | 38.10                               | 23.44                               |
| - plant and machinery  | 20.87                               | 14.62                               |
| - others   | 18.65                               | 11.70                               |
| Insurance  | 7.75                                | 9.53                                |
| Communication  | 3.04                                | 3.06                                |
| Travelling and conveyance                                      | 7.33                                | 1.81                                |
| Guest transport  | 13.86                               | 1.50                                |
| Water charges  | -                                   | 19.29                               |
| Reservation fees   | 9.05                                | 4.60                                |
| Sales and credit card commission                               | 44.35                               | 17.70                               |
| Business promotion   | 48.92                               | 24.92                               |
| Management fees (Refer note 35)                                | 107.71                              | 30.32                               |
| Legal and professional fees                                    | 24.67                               | 40.68                               |
| Payment to auditor's (Refer note below)                        | 1.70                                | 1.70                                |
| Provision / write-off of trade and other receivables           | 0.24                                | 6.79                                |
| Rates and taxes  | 39.74                               | 40.30                               |
| Net loss on foreign currency transaction and translation (net) | -                                   | 0.15                                |
| Net loss on sale of property, plant and equipment              | 0.54                                | -                                   |
| Miscellaneous expenses   | 63.52                               | 12.70                               |
|  | <u>625.46</u>                       | <u>407.50</u>                       |

**Payment to auditor's (excluding taxes)**
*(Rupees in millions)*

| Particulars     | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-----------------|-------------------------------------|-------------------------------------|
| Statutory audit | 1.70                                | 1.70                                |
|                 | <u>1.70</u>                         | <u>1.70</u>                         |



30 Contingent liabilities and commitments

(a) Contingent liabilities

There are no contingent liabilities as on 31 March 2023.

(b) Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounts to Rs. 19,23 millions (Previous Year: Rs 23,92 millions.)

31 Expenditure in foreign currency (on payment basis)

(Rupees in millions)

| Particulars  | For the year ended<br>31 March 2023 | For the year ended 31 March<br>2022 |
|--|-------------------------------------|-------------------------------------|
| Royalty  | 10.56                               | 8.38                                |
| Other expenses (advertisement fee, commission fee, sales and marketing fee, reservation fee etc) | 28.13                               | 14.75                               |
|  | <u>38.69</u>                        | <u>23.13</u>                        |

32 Details of imported and indigenous consumption

(Rupees in millions)

| Particulars | For the year ended<br>31 March 2023 | % of total<br>consumption | For the year ended<br>31 March 2022 | % of total<br>consumption |
|-------------|-------------------------------------|---------------------------|-------------------------------------|---------------------------|
| Imported    | -                                   | -                         | -                                   | -                         |
| Indigenous  | 188.46                              | 100.00%                   | 100.14                              | 100.00%                   |
|             | <u>188.46</u>                       | <u>100.00%</u>            | <u>100.14</u>                       | <u>100.00%</u>            |

33 Value of imports on CIF basis

(Rupees in millions)

| Particulars                               | For the year ended<br>31 March 2023 | For the year ended 31 March<br>2022 |
|---|-------------------------------------|-------------------------------------|
| Purchase of stores and operating supplies | 5.61                                | 4.25                                |
| Purchase of property, plant and equipment | 5.36                                | -                                   |
|   | <u>10.97</u>                        | <u>4.25</u>                         |

34 Earnings per share

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earnings Per Share' - (AS-20) prescribed under Section 133 of the Companies Act, 2013.

(Rupees in millions except per share data)

| Particulars                               | For the year ended<br>31 March 2023 | For the year ended 31 March<br>2022 |
|---|-------------------------------------|-------------------------------------|
| Loss after tax                            | (100.70)                            | (725.20)                            |
| Weighted Average Number of Equity Shares: |                                     |                                     |
| Considered in calculation of Basic EPS    | 1,72,39,130                         | 1,72,39,130                         |
| Considered in calculation of Diluted EPS  | 1,72,39,130                         | 1,72,39,130                         |
| Face value per Equity Share (Rupees)      | 10                                  | 10                                  |
| Earning Per Share (Rupees)                |                                     |                                     |
| Basic                                     | (5.84)                              | (42.07)                             |
| Diluted *                                 | (5.84)                              | (42.07)                             |

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

35 Related party disclosures

(a) Names of related parties

(i) Ultimate holding company

BSREP III India Ballet Holdings (DIFC) Limited, ultimate holding company (w.e.f. 30 March 2022)  
BSREP III India Ballet Pte. Ltd. (upto 30 March 2022)

(ii) Holding company

Project Ballet Chennai Holdings (DIFC) Private Limited, holding company (w.e.f. 30 March 2022)  
BSREP III India Ballet IV Pte. Ltd. (upto 30 March 2022)

(iii) Fellow subsidiaries

Schloss HMA Private Limited  
Schloss Bangalore Private Limited  
Schloss Udaipur Private Limited  
Schloss Chanakya Private Limited (Till 30 March 2022)  
Schloss Gandhinagar Private Limited  
Leela Palaces and Resorts Limited  
Tulsi Palace Resort Private Limited (w.e.f. 3 May 2021)  
Moonburg Power Private Limited (w.e.f. 29 March 2023)  
Schloss Tadoba Private Limited (w.e.f. 16 August 2022)

(iv) Key managerial personnel

Mr. KM Chengappa, General Manager  
Ms. Deepa Arvind, Financial Controller

(v) Other related party

Schloss Chanakya Private Limited (w.e.f. 31 March 2022)



## 35 Related party disclosures (continued)

## (b) Transactions during the period

(Rupees in millions)

| Particulars   | For the year ended<br>31 March 2023 | For the year ended 31 March<br>2022 |
|---|-------------------------------------|-------------------------------------|
| <b>Management fees expense</b>  |                                     |                                     |
| Schloss HMA Private Limited   | 107.71                              | 30.32                               |
| <b>Reimbursement of expenses paid to / (received from)</b>              |                                     |                                     |
| Schloss HMA Private Limited   | 20.78                               | 9.11                                |
| Schloss Bangalore Private Limited                                       | (1.41)                              | (0.13)                              |
| Schloss Chanakya Private Limited  | (11.78)                             | 1.02                                |
| Schloss Gandhinagar Private Limited                                     | -                                   | (0.45)                              |
| Schloss Udaipur Private Limited   | (1.26)                              | 0.02                                |
| Tulsi Palace Resort Private Limited                                     | 0.42                                | (0.30)                              |
| <b>Interest expense on capex limit utilisation (refer note 5.A.1)</b>   |                                     |                                     |
| Schloss Chanakya Private Limited  | 8.22                                | -                                   |
| <b>Business support services</b>  |                                     |                                     |
| Schloss Gandhinagar Private Limited                                     | -                                   | -                                   |
| <b>Settlement in relation with business acquisition</b>                 |                                     |                                     |
| Schloss Bangalore Private Limited                                       | -                                   | -                                   |
| <b>Interest on 10.50% unsecured compulsorily convertible debentures</b> |                                     |                                     |
| Project Ballet Chennai Holdings (DIFC) Private Limited                  | 160.51                              | 147.00                              |
| <b>Issuance of right issue shares (Including securities premium)</b>    |                                     |                                     |
| BSREP III India Ballet IV Pte. Ltd.                                     | -                                   | -                                   |
| <b>Inter corporate deposit given</b>                                    |                                     |                                     |
| Schloss Bangalore Private Limited                                       | -                                   | 565.00                              |
| Schloss Chanakya Private Limited  | -                                   | 117.00                              |
| <b>Inter corporate deposit settlement</b>                               |                                     |                                     |
| Schloss Bangalore Private Limited                                       | -                                   | 165.00                              |
| Schloss Chanakya Private Limited  | -                                   | 117.00                              |
| <b>Advance management fees given</b>                                    |                                     |                                     |
| Schloss HMA Private Limited   | -                                   | 250.00                              |
| <b>Advance management fees settled</b>                                  |                                     |                                     |
| Schloss HMA Private Limited   | 46.26                               | 225.96                              |
| <b>Interest on advance management fees settled</b>                      |                                     |                                     |
| Schloss HMA Private Limited   | 27.73                               | -                                   |
| <b>Interest on inter corporate deposit</b>                              |                                     |                                     |
| Schloss Bangalore Private Limited                                       | 50.00                               | 8.89                                |
| Schloss Chanakya Private Limited  | -                                   | 10.76                               |
| <b>Interest on advance management fees</b>                              |                                     |                                     |
| Schloss HMA Private Limited   | 3.67                                | 24.05                               |
| <b>Managerial remuneration *</b>  |                                     |                                     |
| Mr. KM Chengappa  | 12.65                               | 10.64                               |
| Ms. Deepa Arvind  | 3.72                                | 2.89                                |

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

## (c) Outstanding balances

(Rupees in millions)

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Trade payables (Including provisions)</b>  |                        |                        |
| Schloss HMA Private Limited   | 73.05                  | -                      |
| Schloss Chanakya Private Limited  | 0.90                   | -                      |
| <b>Business support services</b>  |                        |                        |
| Schloss Gandhinagar Private Limited   | -                      | 0.08                   |
| <b>Interest accrued but not due on 10.50% unsecured compulsorily convertible debentures</b> |                        |                        |
| Project Ballet Chennai Holdings (DIFC) Private Limited                                      | 269.07                 | 128.63                 |
| <b>Other receivables</b>  |                        |                        |
| Schloss Bangalore Private Limited   | 1.64                   | 0.10                   |
| Schloss Chanakya Private Limited  | -                      | 0.01                   |
| Schloss Gandhinagar Private Limited   | 0.06                   | -                      |
| Schloss Udaipur Private Limited   | 0.97                   | -                      |
| Tulsi Palace Resort Private Limited   | 0.05                   | -                      |
| <b>Settlement in relation with business acquisition</b>                                     |                        |                        |
| Schloss Bangalore Private Limited   | -                      | -                      |
| <b>Inter corporate deposit given</b>  |                        |                        |
| Schloss Bangalore Private Limited   | 400.00                 | 446.26                 |
| <b>Advance for management fees</b>  |                        |                        |
| Schloss HMA Private Limited   | -                      | 46.26                  |
| <b>Interest Receivable on Inter corporate deposit</b>                                       |                        |                        |
| Schloss Bangalore Private Limited   | 45.25                  | 0.25                   |
| <b>Interest Receivable on advance for management fees</b>                                   |                        |                        |
| Schloss HMA Private Limited   | -                      | 24.05                  |
| <b>10.50% unsecured compulsorily convertible debentures</b>                                 |                        |                        |
| BSREP III India Ballet IV Pte. Ltd.   | -                      | -                      |
| Project Ballet Chennai Holdings (DIFC) Private Limited                                      | 1,400.00               | 1,400.00               |

## (d) Corporate guarantee

Company's fellow subsidiaries i.e. Schloss HMA Private Limited and Leela Palaces and Resorts Limited and the ultimate holding company i.e. BSREP III India Ballet Holdings (DIFC) Limited (from 31 March 2022) and BSREP III India Ballet Pte. Ltd. (upto 30 March 2022) have given corporate guarantee and fellow subsidiaries also created charge over their total assets for the term loan facility availed by the company.



36 Employee benefits

(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. 10.52 millions (Previous Year: Rs. 7.57 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 HLVs Limited were eligible and covered under the existing Group Gratuity-cum-Life assurance policies administered through HLVs Limited, Employee Group Gratuity Life Assurance Scheme. On 16 October 2019, the Company and HLV Limited has entered into a Business Transfer Agreement ("BTA") for acquisition of Chennai hotel operations (the "Hotel") of HLVs 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 Chennai 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.

The following details summarises the position of assets and obligations relating to the gratuity plan:

| Particulars  | (Rupees in millions)   |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Present value of defined benefit obligation at beginning of the period | 12.46                  | 16.34                  |
| Acquisition adjustment   | -                      | -                      |
| Interest cost  | 0.90                   | 1.10                   |
| Current service cost   | 2.43                   | 2.11                   |
| Benefits paid  | (1.27)                 | (1.28)                 |
| Actuarial (gain) / loss on obligation                                  | (0.76)                 | (5.81)                 |
| Present value of defined benefit obligation at the end of the period   | 13.76                  | 12.46                  |



36 Employee benefits (continued)

| <b>(b) Fair value of plan assets</b>                     |               |               | <i>(Rupees in millions)</i> |
|--|---------------|---------------|-----------------------------|
| Particulars  | As at         | As at         |                             |
|  | 31 March 2023 | 31 March 2022 |                             |
| Fair value of plan assets at the beginning of the period | 7.88          | 8.14          |                             |
| Acquisition adjustment                                   | -             | 0.87          |                             |
| Actuarial return on plan assets                          | 2.81          | (0.08)        |                             |
| FMC Charges  | (0.23)        | (0.01)        |                             |
| Contribution   | 1.33          | -             |                             |
| Benefits paid  | (1.27)        | (1.04)        |                             |
| Fair value of plan assets at the end of the period       | <u>10.52</u>  | <u>7.88</u>   |                             |

| <b>(c) Amounts recognised in the balance sheet</b>                   |               |               | <i>(Rupees in millions)</i> |
|--|---------------|---------------|-----------------------------|
| Particulars  | As at         | As at         |                             |
|  | 31 March 2023 | 31 March 2022 |                             |
| Present value of defined benefit obligation at the end of the period | 13.76         | 12.46         |                             |
| Fair value of plan assets at the end of the period                   | 10.52         | 7.88          |                             |
| Liability to be recognised in the balance sheet                      | <u>3.24</u>   | <u>4.58</u>   |                             |
| Recognised as:   |               |               |                             |
| Long-term provisions (Refer note 7)                                  | 3.08          | 4.44          |                             |
| Short-term provisions (Refer note 11)                                | 0.17          | 0.14          |                             |

| <b>(d) Movement in the liability recognized in the balance sheet</b> |               |               | <i>(Rupees in millions)</i> |
|--|---------------|---------------|-----------------------------|
| Particulars  | As at         | As at         |                             |
|  | 31 March 2023 | 31 March 2022 |                             |
| Net liability at the beginning of the period                         | 12.46         | 16.34         |                             |
| Expense recognised in the statement of profit and loss               | (0.01)        | (2.75)        |                             |
| Benefits paid  | (1.27)        | (1.04)        |                             |
| Actuarial return on plan assets                                      | 2.58          | (0.09)        |                             |
| Net liability at the end of the period                               | <u>13.76</u>  | <u>12.46</u>  |                             |

| <b>(e) Amounts recognised in the statement of profit and loss</b> |                    |                    | <i>(Rupees in millions)</i> |
|---|--------------------|--------------------|-----------------------------|
| Particulars   | For the year ended | For the year ended |                             |
|   | 31 March 2023      | 31 March 2022      |                             |
| Current service cost  | 2.43               | 2.11               |                             |
| Interest cost   | 0.90               | 1.10               |                             |
| Expected return on plan assets                                    | (0.55)             | (0.55)             |                             |
| Net actuarial (gain) / loss recognized in the period              | <u>(2.79)</u>      | <u>(5.17)</u>      |                             |
|   | <u>(0.01)</u>      | <u>(2.51)</u>      |                             |

| <b>(f) Actuarial gain / loss on obligation</b>                        |                    |                    | <i>(Rupees in millions)</i> |
|---|--------------------|--------------------|-----------------------------|
| Particulars   | For the year ended | For the year ended |                             |
|   | 31 March 2023      | 31 March 2022      |                             |
| Actuarial (gain) / loss arising from change in demographic assumption | -                  | -                  |                             |
| Actuarial (gain) / loss arising from change in financial assumption   | (0.23)             | (0.93)             |                             |
| Actuarial (gain) / loss arising from experience adjustment            | (0.53)             | (4.88)             |                             |
| Actuarial (gain) / loss on obligation                                 | <u>(0.76)</u>      | <u>(5.81)</u>      |                             |





36 Employee benefits (continued)

(g) Actuarial gain / loss on plan assets

| Particulars                            | (Rupees in millions)             |                                  |
|--|----------------------------------|----------------------------------|
|  | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Expected return on plan assets         |                                  | 0.55                             |
| Actual return on plan assets           | 0.55                             | 0.55                             |
| Actuarial gain / (loss) on plan assets | 2.58                             | (0.09)                           |
|  | 2.03                             | (0.64)                           |

(h) Actuarial assumptions

| Particulars                      | (Rupees in millions)   |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at 31 March 2023    | As at 31 March 2022    |
| Discount rate                    | 7.39%                  | 7.26%                  |
| Expected return on plan assets   | 7.01%                  | 7.00%                  |
| Expected rate of salary increase | 7.00%                  | 7.00%                  |
| Mortality rate                   | 100% of IALM (2012-14) | 100% of IALM (2012-14) |

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long-term best estimate as to salary increases and takes into account the inflation, seniority, promotion, business plan, HR policies and other relevant factors on long-term basis as provided in relevant accounting standard.

Compensated absences:

The expense of compensated absences (non-funded) for the period ended 31 March 2023 amounting to Rs. 1.4 millions (Previous Year: Rs. 1.47 millions) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

37 Segment reporting

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Accounting Standard 17 - 'Segment Information' (AS-17) prescribed under Section 133 of the Companies Act, 2013. There is no geographical segment to be reported since all the operations are undertaken in India.

38 Property, plant and equipment as at 31 March 2023 includes asset acquired under finance lease amounting to Rs. Nil (Previous Year: Rs. 3.50 millions) capitalised in line with the requirements of Accounting Standard on "Leases" (AS-19). Depreciation for the period includes an amount of Rs. Nil (Previous Year: Rs. 0.26 million) being depreciation charged on these assets.

The year-wise break-up of the outstanding lease obligation as on 31 March 2023 in respect of these assets are as under:

| Particulars  | (Rupees in millions) |                     |
|--|----------------------|---------------------|
|  | As at 31 March 2023  | As at 31 March 2022 |
| <b>Assets taken on lease</b>                             |                      |                     |
| Total Minimum Lease Payments at year end                 | -                    | -                   |
| Present Value of Minimum Lease Payments                  | -                    | -                   |
| <b>Not later than one year</b>                           |                      |                     |
| Minimum Lease Payments                                   | -                    | -                   |
| Present Value  | -                    | -                   |
| <b>Later than one year but not later than five years</b> |                      |                     |
| Minimum Lease Payments                                   | -                    | -                   |
| Present Value  | -                    | -                   |
| <b>Later than five years</b>                             |                      |                     |
| Minimum Lease Payments                                   | -                    | -                   |
| Present Value  | -                    | -                   |

39 The Company has entered into operating lease arrangements primarily for office premises. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. These arrangements are normally renewed on expiry, wherever required. During the period, an amount of Rs. 0.16 million (Previous Year: Rs. 0.01 million) was recognised as an expense in the statement of profit and loss in respect of operating leases.

40 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. The Company's transactions with related parties are at arms length as per the independent accountant's report for the year ended 31 March 2022.

Management believes the Company's transactions with related parties post 31 March 2022 continue to be at arms length so that the aforesaid legislation will not have any impact on these financial statements, particularly on the amount of tax expenses and that of provision for tax.

41 Unhedged foreign currency exposures as at the reporting date

Foreign currency exposures not hedged by derivative instruments are as follows:

| Particulars                   | As at 31 March 2023 |                    | As at 31 March 2022 |                    |
|-------------------------------|---------------------|--------------------|---------------------|--------------------|
|                               | Foreign currency    | Rupees in millions | Foreign currency    | Rupees in millions |
| Foreign currency payables     |                     |                    |                     |                    |
| - representing trade payables |                     |                    |                     |                    |
| USD                           | -                   | -                  | -                   | -                  |
| EURO                          | -                   | -                  | -                   | -                  |



| Ratio Analysis                   | Numerator   | Denominator   | 31st March 2023 | 31st March 2022 | % Change | Remarks   |
|----------------------------------|---|---|-----------------|-----------------|----------|---|
| Current Ratio                    | Current Assets  | Current Liabilities excluding current maturities of long-term borrowings          | 4.40            | 7.25            | -39%     | Decrease in current ratio is primarily on account of increase in trade payables as compared to the previous year.   |
| Debt Equity Ratio                | Non - Current Borrowings + Current Borrowings                               | Total Equity  | -180.65         | 145.47          | -224%    | Increase in debt/equity ratio is primarily on account of business losses for the year.  |
| Debt Service Coverage Ratio      | Non - Current Borrowings + Current Borrowings                               | Interest (Net) + Lease Payments + Principal Repayment of long-term Debt           | 1.25            | 0.17            | 645%     | Increase in DSCR is on account of EBITDA positive in current year as compared to previous year.   |
| Return on Equity Ratio           | Profit before Tax + Interest (Net) + Depreciation and amortisation expenses | Average Total Equity  | -19.59          | -1.73           | 102%     | Decrease in return on equity is primarily on account of business losses for consecutive two years.  |
| Inventory Turnover Ratio         | Net Profit after taxes  | Average Inventory   | 3.16            | 2.14            | 48%      | Increase in Inventory Turnover ratio is primarily on account of increase in business in current year as compared to previous year. Lower business in previous year on account of COVID. |
| Trade Receivables Turnover Ratio | Cost of Goods sold  | Average Trade Receivables   | 46.75           | 25.69           | 82%      | Increase in Trade Receivable Turnover ratio is primarily on account of increase in revenue.   |
| Trade Payables Turnover Ratio    | Revenue from operations   | Average Trade Payables  | 1.67            | 1.77            | 6%       | Increase in Trade Payable Turnover ratio is primarily on account of increase in trade payables during the year compared to the previous year.   |
| Net Capital Turnover Ratio       | Net Purchases   | Average Working Capital i.e. Average Current Assets - Average Current Liabilities | 1.36            | 0.65            | 111%     | Increase in net capital turnover ratio is primarily on account of increase in revenue.  |
| Net Profit Ratio                 | Net Sales   | Net Sales   | -0.06           | -1.00           | 94%      | Increase in Net profit ratio is primarily on account of increase in revenue.  |
| Return on Capital employed       | Net Profit after tax  | Capital Employed  | 0.04            | -0.01           | 775%     | Increase in ratio is primarily on account of (i) increase in EBITDA due to better business; and (ii) increase in capital employed.  |

\* The Company has not presented the following ratios due to the reasons given below:  
a. Return on investments, since the Company does not holds any funds/investment



- 43 **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.
- 44 With reference to Schedule 5 - Borrowings of financial statements for the year ended March 31, 2023, we confirm that all charges created/ satisfied during FY 2022-23 have been registered with the Ministry of Corporate Affairs within statutory due date.
- 45 The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds, that have been to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:  
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or  
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 46 The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:  
a. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or  
b. provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- 47 **Information with regard to other matters specified in Schedule III of the Act:**  
i) As on March 31, 2023 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 (b7) 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 persons or entities, 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.  
(vi) The Company have not received any fund from any persons or entities, 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.  
vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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: 101248XW-100022

  
Jaymin Sheth  
Partner  
Membership Number: 114583

Place: Mumbai  
Date: 27 September 2023

For and on behalf of the board of directors of  
Schloss Chennai Private Limited  
CIN: U55401DL2019PTC146475



Ravi Shankar  
Director  
DIN: 07967039

Place: Mumbai  
Date: 27 September 2023

  
Anurag Bhargava  
Director  
DIN: 07967035

Place: Mumbai  
Date: 27 September 2023

