

Independent Auditor's Report

To the Members of Schloss HMA Private Limited

Report on the Audit of the Financial Statements

Opinion

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Continued)

Schloss HMA Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss 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 their knowledge and belief, as disclosed in the Note 42 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.

Independent Auditor's Report (Continued)

Schloss HMA 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.:101248W/W-100022



Jaymin Sheth

Partner

Place: Mumbai

Date: 20 October 2023

Membership No.: 114583

ICAI UDIN:23114583BGZDBC6123

Annexure A to the Independent Auditor's Report on the Financial Statements of Schloss HMA 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, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year..
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering hotel management services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has not provided any guarantee or security or advances in the nature of loans 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 HMA Private Limited for the year ended 31 March 2023 (Continued)

Particulars	Loans (INR in millions)
Aggregate amount during the year Employee Loans	2.20
Balance outstanding as at balance sheet date Employee Loans	2.35

- (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, in case of employee loans (as per the policy of the Company loan is interest free) schedule of repayment is stipulated. The payment of principal and interest have been regular where applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no loans, guarantees and security given by the Company in respect of which provisions of Section 185 of the Act are applicable. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of guarantees and securities given by the Company against the loan taken by its fellow subsidiaries, in our opinion the provisions of Section 186 of the Companies Act, 2013 ("the Act") have been complied with. There is no investment made by the Company and accordingly Section 186 in respect of investment is not applicable to the company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have 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, Income-Tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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

- 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, Income-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, Income-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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short-term basis for long-term purposes amounting to INR 600 million for the purpose of providing advance for HMA renewal for two properties.
- (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 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) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.

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

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 loss in current year but has incurred cash loss of INR 214.46 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) We draw attention to Note 2.2 to the financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2023. Further, the Company's current liabilities exceed its current assets as at 31 March 2023 by Rs. 34.62 million.

Based on the cashflow forecast for the next one year, the company is having adequate cash balance to meet its day to day obligations. In addition, the Company has received letter of support from holding company to provide such financial and operational support to the Company as is necessary to ensure that the Company is able to meet its debt and liabilities for next one year from the date of the financial closure of the accounts of the Company as and when they fall due for payment in the normal course of business and continue as a going concern for the foreseeable future. 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.

On the basis of the above and according to the information and explanations given to us, 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

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

to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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



Jaymin Sheth

Partner

Place: Mumbai

Date: 20 October 2023

Membership No.: 114583

ICAI UDIN:23114583BGZDBC6123

Annexure B to the Independent Auditor's Report on the financial statements of Schloss HMA 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 HMA 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 HMA 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.:101248W/W-100022



Jaymin Sheth

Partner

Place: Mumbai

Date: 20 October 2023

Membership No.: 114583

ICAI UDIN:23114583BGZDBC6123

SCHLOSS HMA PRIVATE LIMITED
Balance Sheet as at 31 March 2023

(Rupees in millions)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	109.45	109.45
Reserves and surplus	4	(1,123.83)	(745.19)
		(1,014.38)	(635.74)
Non-current liabilities			
Long-term borrowings	5	2,584.80	2,584.80
Other Long term liabilities	6	496.78	237.48
Long-term provisions	7	9.06	13.68
		3,090.64	2,835.96
Current liabilities			
Short-term borrowings	8	600.00	-
Trade payables	9		
- Dues of micro enterprises and small enterprises		1.93	0.79
- Dues of creditors other than micro enterprises and small enterprises		70.24	29.21
Other current liabilities	10	147.54	282.60
Short-term provisions	11	1.97	0.51
		821.68	313.11
Total		2,897.94	2,513.33
ASSETS			
Non-current assets			
Property, plant and equipment and Intangible Assets			
Property, Plant and Equipment	12	30.10	34.74
Intangibles assets	13	1,103.32	1,674.08
Capital work in progress	14	-	-
Deferred tax assets (net)	15	-	-
Long-term loans and advances	16	959.59	55.13
Other non-current assets	17	17.87	33.67
		2,110.88	1,797.62
Current assets			
Trade receivables	18	560.39	342.70
Cash and bank balances	19	145.24	220.64
Short-term loans and advances	20	44.03	137.15
Other current assets	21	37.40	15.22
		787.06	715.71
Total		2,897.94	2,513.33
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements	1-43		

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: 20 October 2023

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

Anuraag Dhatnagar
Anuraag Dhatnagar
Whole time Director
DIN: 07967035

Place: Mumbai
Date: 20 October 2023



Ravi Shankar

Ravi Shankar
Whole time Director
DIN: 07967039

Place: Mumbai
Date: 20 October 2023

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

(Rupees in millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	22	1,130.99	455.06
Other income	23	14.89	37.68
Total Income		1,145.88	492.74
Expenses			
Employee benefits expense	24	369.30	287.48
Finance costs	25	308.58	317.88
Depreciation and amortisation expense	26	579.98	575.57
Other expenses	27	266.66	108.31
Total expenses		1,524.52	1,289.24
Loss before tax		(378.64)	(796.50)
Tax expense			
- Current tax		-	-
- Deferred tax charge / (credit)		-	-
Loss after tax		(378.64)	(796.50)
Earning per equity share (in rupees)	30		
Basic earnings per share (Face value Rs.10 each)		(34.60)	(72.78)
Diluted earnings per share (Face value Rs.10 each)		(34.60)	(72.78)

Significant accounting policies

2

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

1-43

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: 20 October 2023

For and on behalf of the board of directors of

Schloss HMA Private Limited

CIN: U55209TN2019PTC136428

Anuraag Bhatnagar

Whole time Director

DIN: 07967035

Place: Mumbai

Date: 20 October 2023



Ravi Shankar

Ravi Shankar

Whole time Director

DIN: 07967039

Place: Mumbai

Date: 20 October 2023

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

(Rupees in millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Loss before tax for the year	(378.64)	(796.49)
Adjustments for:		
Depreciation and amortisation	579.98	575.56
Finance costs	308.46	317.88
Provision for doubtful debt	111.28	15.70
Reversal of provision for gratuity	(4.56)	-
Compensated absences written back	-	(9.23)
Interest income	(10.31)	(28.45)
Operating cash flows before working capital changes	606.20	74.96
Working capital movements:		
Increase in loans and advances	(725.21)	69.71
Increase in trade receivables	(447.03)	(65.34)
Increase in other assets	(21.26)	(0.42)
Increase in trade payables	42.18	(3.70)
Decrease in other liabilities	(7.93)	32.06
Increase in provisions	1.40	(2.30)
Cash generated from operations	(551.64)	104.97
Income taxes paid, net	(70.45)	(11.04)
Net cash flows used in operating activities (A)	(622.08)	93.93
Cash flows from investing activities		
Purchase of property, plant and equipments including capital work in progress	(4.57)	(25.94)
Investments in fixed deposits	(536.65)	(409.49)
Investments in margin money deposits	(3.00)	(3.50)
Proceeds from maturity of fixed deposits	615.16	390.21
Interest received	9.46	27.80
Net cash flows used in investing activities (B)	80.41	(20.92)
Cash flows from financing activities		
Proceeds from short-term borrowings	600.00	-
Repayment of Loans and advances, net	-	(3.74)
Finance costs paid	(58.21)	-
Net cash flows generated from financing activities (C)	541.79	(3.74)
Net increase in cash and cash equivalents (A+B+C)	0.11	69.27
Cash and cash equivalents as at beginning of the year	112.13	42.86
Cash and cash equivalents at the end of the year	112.24	112.13
Components of cash and cash equivalents		
Cash on hand	-	-
Bank balance		
- in current account	97.09	82.13
- deposit with original maturity less than three months	15.15	30.00
Total cash and cash equivalents (Refer note 19)	112.24	112.13

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: 20 October 2023

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


Anurag Bhatnagar
Whole time Director
DIN: 07967035

Place: Mumbai
Date: 20 October 2023





Ravi Shankar
Whole time Director
DIN: 07967039

Place: Mumbai
Date: 20 October 2023

1 Company information

Schloss HMA Private Limited ("the Company") an Indian subsidiary of Project Ballet HMA Holdings (DIFC) Private Limited was incorporated on 06 March 2019 under the provisions of Companies Act, 2013 and started its operations effective 17 October 2019 by acquiring hotel management business of HLV Limited along with its trademark 'The Leela' and other intellectual property held by Leela Lace Holdings Private Limited.

2 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.378.64 millions during the year ended 31 March 2023, has accumulated losses of Rs.2009.68 millions and negative net worth of Rs.1014.38 millions at 31 March 2023 and as of that date, the Company's current liabilities exceeded its current assets by Rs.34.62 millions.

The Company has received letter of support from holding company to provide such financial and operational support to the Company as is necessary to ensure that the Company is able to meet its debt and liabilities for next one year from the date of the financial closure of the accounts of the Company as and when they fall due for payment in the normal course of business and continue as a going concern for the foreseeable future.

The Company is evaluating certain hotel management contracts at strategic locations which are in pipeline. Based on these initiatives undertaken by the Company, there is adequate cash balance to meet its obligations.

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.



2.5 Foreign exchange translation

Initial recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Conversion

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference

Exchange differences arising on the settlement or on reporting of monetary items of Company at rates different from those at which they were initially recognized are recorded as income or expense in the year in which they arise.

2.6 Cash flow statement

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

2.7 Earnings per share

The basic and dilutive earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

2.8 Revenue recognition

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

Management and other operating fees

Management and other operating fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner. Under management and operating agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and other operating fees are either earned as a percentage of revenue and profit or are pre-determined and are recognised when earned in accordance with the terms of the contract.

Interest income

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

2.9 Property, plant and equipment

Property, plant and equipment (tangible assets) are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment upto the date the asset is ready for its intended use.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term.

Depreciation is provided on a pro-rata basis i.e. from the date on which assets is ready for use. Depreciation on sale of asset is provided up to the date of sale of the asset.

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

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

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.



2.13 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.

2.14 Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Investments held by the Company which are long term in nature are stated at cost unless there is any permanent diminution in value where provision for diminution is made on individual investment basis. Current investments are valued at cost or market price or fair value, whichever is lower. Earnings on investments are accounted for on accrual basis.

2.15 Operating lease

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. 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.

2.16 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.

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.



3 Share capital

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Authorised		
22,500,000 (Previous year: 22,500,000) equity shares of Rs.10 each	225.00	225.00
22,500,000 equity shares of Rs.10 each		-
	<u>225.00</u>	<u>225.00</u>
Issued, subscribed and paid up		
10,944,597 (Previous year: 10,944,597) equity shares of Rs.10 each, fully paid up	109.45	109.45
10,944,597 equity shares of Rs.10 each, fully paid up		
	<u>109.45</u>	<u>109.45</u>

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

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	1,09,44,597	109.45	1,09,44,597	109.45
Shares issued during the year	-	-	-	-
At the end of the year	<u>1,09,44,597</u>	<u>109.45</u>	<u>1,09,44,597</u>	<u>109.45</u>

b) Rights, preference and restrictions attached to equity shares

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

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

c) Shares held by holding company / ultimate holding company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each fully paid-up				
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	109.45	1,09,44,596	109.45
BSREP III India Ballet Holdings (DIFC) Limited, ultimate holding company	1	0.00	1	0.00
	<u>1,09,44,597</u>	<u>109.45</u>	<u>1,09,44,597</u>	<u>109.45</u>

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
Equity shares of Rs. 10 each fully paid-up				
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99999%	1,09,44,596	99.99999%
BSREP III India Ballet V Pte. Ltd.	-	0.00000%	-	0.00000%
	<u>1,09,44,596</u>	<u>99.99999%</u>	<u>1,09,44,596</u>	<u>99.99999%</u>

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

f) 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 HMA Holdings (DIFC) Private Limited	1,09,44,596	99.99999%	1,09,44,596	100.00%	0.00000%
BSREP III India Ballet Holdings (DIFC) Limited	1	0.00001%	1	0.00%	0.00000%
	<u>1,09,44,597</u>	<u>100.00000%</u>	<u>1,09,44,597</u>	<u>100.00%</u>	<u>0.00000%</u>



4 Reserves and surplus

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Securities premium account:		
At the commencement of the year	885.85	885.85
Add: Premium on shares issued during the year	-	-
At the end of the year	885.85	885.85
Retained earnings:		
At the commencement of the year	(1,631.04)	(834.55)
Add: Loss for the year	(378.64)	(796.49)
At the end of the year	(2,009.68)	(1,631.04)
	(1,123.83)	(745.19)

5 Long-term borrowings

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Unsecured:		
10.50% unsecured compulsorily convertible debentures (Refer note A)	2,584.80	2,584.80
	2,584.80	2,584.80

(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, interest on the CCDs shall be accrued but cannot be paid by the Company until all the dues under Common Facility Agreement are paid by respective co-borrowers (Refer note 37).

6 Other Long term liabilities

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Interest accrued on borrowings	496.78	237.48
	496.78	237.48

7 Long-term provisions

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
- Compensated absences (Refer note 32)	5.08	3.46
- Gratuity (Refer note 32)	3.98	10.22
	9.06	13.68

8 Short-term borrowings

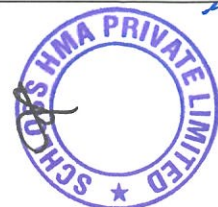
Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
'Unsecured		
Inter corporate deposit (ICD) from related party (Refer note 31)	600.00	-
	600.00	-

Inter corporate deposit (ICD) from related party

Inter corporate deposit has been taken from Schloss Chanakya Private Limited. The ICD carries interest rate of 12.5 % p.a and same are repayable on demand.

9 Trade payables

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
- Total outstanding dues of micro enterprises and small enterprises (Refer note below)	1.93	0.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (Refer note 31)	38.59	7.83
- Others	31.65	21.38
	72.17	30.00



SCHLOSS HMA PRIVATE LIMITED

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

9 Trade payables (Continued)

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	1.93	0.79
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	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made *	-	-
Further interest remaining due and payable for earlier years	-	-

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

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



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	-	1.93	-	-	-	1.93
(ii) Others	4.77	65.47	-	-	-	70.24
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4.77	67.40	-	-	-	72.17

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	-	0.79	-	-	-	0.79
(ii) Others	7.57	21.64	-	-	-	29.21
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	7.57	22.43	-	-	-	30.00



SCHLOSS HMA PRIVATE LIMITED

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

10 Other current liabilities

Particulars	<i>(Rupees in millions)</i>	
	As at 31 March 2023	As at 31 March 2022
Advance from related party (Refer Note 31)	-	118.06
Interest accrued and due on advance management fees (Refer Note 31)	-	46.48
Interest accrued and due on inter corporate deposits (Refer Note 31)	0.18	-
Retention Money	0.03	1.25
Employee dues payable	76.90	74.29
Statutory dues payable		
- Tax deducted at source	49.37	40.75
- Goods and service tax	18.92	0.09
- Professional tax	0.01	0.01
- Provident fund	2.06	1.60
- Labour welfare fund*	0.00	-
Security Deposits	0.07	0.07
	<u>147.54</u>	<u>282.60</u>

* Labour welfare fund is amounting Rs. 672

11 Short-term provisions

Particulars	<i>(Rupees in millions)</i>	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
- Compensated absences (Refer note 32)	0.27	0.29
- Gratuity (Refer note 32)	1.70	0.22
	<u>1.97</u>	<u>0.51</u>



12 Property, Plant and equipment*

(Rupees in millions)

	Property, Plant and equipment						Total
	Plant and machinery	Leasehold Improvements	Office equipments	Computers and data processing units	Vehicles	Furniture & Fixtures	
Gross block							
At 01 April 2021	0.79	-	0.29	6.35	0.12	-	7.54
Additions during the period	14.80	12.44	0.36	2.94	-	5.55	36.09
Disposals during the period	-	-	-	-	-	-	-
At 31 March 2022	15.59	12.44	0.65	9.29	0.12	5.55	43.63
Additions during the year	0.02	-	0.17	2.75	-	-	2.94
Disposals during the year	-	-	-	-	-	-	-
At 31 March 2023	15.61	12.44	0.82	12.04	0.12	5.55	46.58
Accumulated depreciation							
At 01 April 2021	0.07	-	0.07	2.50	0.12	-	2.76
For the period	1.28	2.04	0.14	2.11	-	0.57	6.13
Disposals during the period	-	-	-	-	-	-	-
At 31 March 2022	1.35	2.04	0.21	4.61	0.12	0.57	8.89
For the year	1.55	2.49	0.22	2.63	-	0.69	7.58
Disposals during the year	-	-	-	-	-	-	-
At 31 March 2023	2.90	4.53	0.43	7.24	0.12	1.26	16.47
Net block at 31 March 2023	12.71	7.91	0.39	4.80	-	4.29	30.10
Net block at 31 March 2022	14.24	10.40	0.45	4.68	-	4.98	34.74

13 Intangible assets

(Rupees in millions)

	Intangible assets					Total
	Computer software	Website	Brand	Management contracts	Goodwill	
Gross block						
At 01 April 2021	0.86	-	1,500.00	599.34	938.21	3,038.42
Additions during the year	-	20.44	-	-	-	20.44
Disposals during the year	-	-	-	-	-	-
At 31 March 2022	0.86	20.44	1,500.00	599.34	938.21	3,058.86
Additions during the year	1.64	-	-	-	-	1.64
Disposals during the year	-	-	-	-	-	-
At 31 March 2023	2.50	20.44	1,500.00	599.34	938.21	3,060.49
Accumulated amortisation						
At 01 April 2021	0.17	-	436.78	105.17	273.20	815.33
For the period	0.14	4.07	299.67	78.13	187.44	569.45
Disposals during the year	-	-	-	-	-	-
At 31 March 2022	0.31	4.07	736.45	183.30	460.64	1,384.77
For the year	0.35	6.81	299.67	78.13	187.44	572.40
Disposals during the year	-	-	-	-	-	-
At 31 March 2023	0.66	10.88	1,036.12	261.43	648.08	1,957.17
Net block at 31 March 2023	1.84	9.56	463.88	337.91	290.13	1,103.32
Net block at 31 March 2022	0.55	16.37	763.55	416.04	477.57	1,674.08

14 Capital work in progress

(Rupees in millions)

At 01 April 2021	24.39
Additions during the year	-
Assets capitalised during the year	(24.39)
At 31 March 2022	-
Additions during the year	-
Assets capitalised during the year	-
Net block at 31 March 2023	-



18 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	561.43	60.95	64.97	-	-	687.34
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – considered doubtful	-	-	-	-	-	-
Less: provision for doubtful debts	(1.04)	(60.95)	(64.97)	-	-	(126.95)
Total	560.39	-	-	-	-	560.39

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	255.90	86.80	-	-	-	342.70
(ii) Undisputed Trade Receivables – considered doubtful	-	16.88	-	-	-	16.88
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – considered doubtful	-	-	-	-	-	-
Less: provision for doubtful debts	-	(16.88)	-	-	-	(16.88)
Total	255.90	86.80	-	-	-	342.70



SCHLOSS HMA PRIVATE LIMITED

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

19 Cash and bank balances

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents:		
Cash on hand	-	-
Balances with banks		
- in current accounts	97.09	82.13
- deposit with original maturity less than three months	15.15	30.00
Other bank balances		
- in deposit accounts with original maturity of more than 3 months but less than 12 months	30.00	105.01
- margin money deposits	3.00	3.50
	<u>145.24</u>	<u>220.64</u>

20 Short-term loans and advances

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good:		
Advance for Hotel management contract renewal (Refer note 38)	15.89	-
Advance to suppliers	7.36	0.55
Prepaid expenses	11.42	6.35
Balances with government authorities	1.45	127.35
Loans and advances to employees	2.35	1.52
Other advances	5.56	1.38
	<u>44.03</u>	<u>137.15</u>

21 Other current assets

Particulars	(Rupees in millions)	
	As at 31 March 2023	As at 31 March 2022
To related parties (Refer note 31)		
Security deposits	6.85	-
Unbilled revenue	21.03	14.49
Other than related parties		
Unbilled revenue	7.94	-
Interest accrued on deposits	1.58	0.73
	<u>37.40</u>	<u>15.22</u>



22 Revenue from operations

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of services:		
Management and other operating fees	1,130.99	455.06
	<u>1,130.99</u>	<u>455.06</u>

23 Other income

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on:		
- fixed deposits	7.88	1.52
- from intercorporate deposit	-	25.43
- others	2.44	1.50
Net gain or loss on foreign currency transaction and translation	0.01	-
Reversal of provision for gratuity	4.56	-
Compensation absences written back (Refer note 32)	-	9.23
	<u>14.89</u>	<u>37.68</u>

24 Employee benefits expense

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	345.71	261.82
Contribution to provident fund (Refer note 32)	9.76	7.47
Compensated absences (Refer note 32)	2.15	-
Gratuity (Refer note 32)	-	5.50
Staff welfare expenses	11.68	12.69
	<u>369.30</u>	<u>287.48</u>

25 Finance costs

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on:		
- Compulsorily convertible debentures (CCDs)	296.34	271.40
- Interest on inter corporate deposits	0.21	-
- Interest on advance management fees	11.92	46.48
- Others	0.11	-
	<u>308.58</u>	<u>317.88</u>

26 Depreciation and amortisation

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on Property, Plant & Equipments	7.58	6.13
Amortisation of intangible assets	572.40	569.44
	<u>579.98</u>	<u>575.57</u>

27 Other expenses*

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent (Refer note 34)	34.85	31.73
Repairs and maintenance		
- others	4.04	2.76
Insurance	0.80	0.70
Rates and taxes	3.83	1.93
Communication	1.00	0.92
Travelling and conveyance	11.86	5.62
Printing and stationery	2.66	1.03
Business promotion	46.51	30.18
Legal and professional fees	40.68	9.47
Provision for doubtful debts	111.28	15.70
Payment to auditor's (Refer note below)	2.54	1.76
Bank charges	1.16	0.35
Miscellaneous Expenses	5.45	6.16
	<u>266.66</u>	<u>108.31</u>

Payment to auditor's (excluding taxes)

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory audit fees	2.48	1.76
Reimbursement of expenses	0.06	-
	<u>2.54</u>	<u>1.76</u>

*Other expense above are net of reimbursements of expenses claimed as follows:

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Business promotion	67.00	4.07
Legal and professional fees	9.82	14.42
Printing and stationery	1.68	1.35
Communication	3.21	-
Staff welfare expenses	20.44	-
Travelling and conveyance	15.48	2.32
Miscellaneous expenses	1.00	29.19
	<u>118.63</u>	<u>51.35</u>



28 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 Nil.

29 Expenditure in foreign currency (on payment basis)

(Rupees in millions)

Particulars	For the year ended 31	For the year ended
	March 2023	31 March 2022
Other expenses (advertisement fee, commission fee, sales and marketing fee etc.)	44.38	-
	44.38	-

30 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.

Particulars	For the year ended 31	For the year ended
	March 2023	31 March 2022
Loss after tax	(378.64)	(796.50)
Weighted average number of equity shares:		
Considered in calculation of Basic EPS	1,09,44,597	1,09,44,597
Considered in calculation of Diluted EPS	1,09,44,597	1,09,44,597
Face value per equity share (₹)	10	10
Earnings per share		
Basic	(34.60)	(72.78)
Diluted *	(34.60)	(72.78)

* 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.

31 Related party disclosures

(a) Names of related parties

(i) Ultimate Holding company

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

(ii) Holding company

Project Ballet HMA Holdings (DIFC) Private Limited (w.e.f 30 March 2022)
BSREP III India Ballet V Pte. Ltd. (upto 30 March 2022)

(iii) Fellow subsidiaries

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

(iv) Key managerial personnel

Mr. Anuraag Bhatnagar, Chief Operating Officer
Mr. Rajan Shah, Chief Financial Officer (Till 05 April 2021)
Mr. Ravi Shankar, Chief Financial Officer (w.e.f. 05 April 2021)
Mrs. Jyoti Maheshwari, Company Secretary

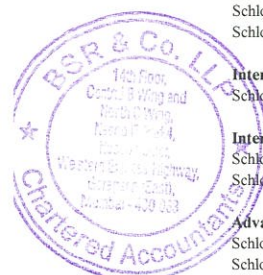
(v) Other related parties

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

(b) Transactions during the year

(Rupees in millions)

Particulars	For the year ended 31	For the year ended
	March 2023	31 March 2022
Management and operating fees		
Schloss Chanakya Private Limited	146.21	53.99
Schloss Bangalore Private Limited	192.89	43.37
Schloss Chennai Private Limited	107.71	30.32
Schloss Udaipur Private Limited	62.04	45.23
Tulsi Palace Resort Private Limited	115.93	70.10
Reimbursement of expenses received from		
Schloss Chanakya Private Limited	19.37	8.08
Schloss Bangalore Private Limited	21.66	13.55
Schloss Chennai Private Limited	20.78	9.11
Schloss Udaipur Private Limited	20.21	6.47
Schloss Gandhinagar Private Limited	0.83	0.61
Leela Palaces and Resorts Limited	3.80	4.86
Tulsi Palace Resort Private Limited	27.60	4.31
Inter corporate deposit given		
Schloss Bangalore Private Limited	-	210.00
Schloss Chanakya Private Limited	-	185.00
Inter corporate deposit Taken		
Schloss Chanakya Private Limited	600.00	-
Inter corporate deposit settlement		
Schloss Bangalore Private Limited	-	210.00
Schloss Chanakya Private Limited	-	185.00
Advance management fees taken		
Schloss Chennai Private Limited	-	250.00
Schloss Udaipur Private Limited	-	170.00



31 Related party disclosures (continued)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advance management fees settled		
Schloss Chennai Private Limited	46.34	225.96
Schloss Udaipur Private Limited	71.84	179.10
Interest income on advance from related party		
Schloss Udaipur Private Limited	8.25	22.42
Schloss Chennai Private Limited	3.67	24.05
Interest on advance management fees settled		
Schloss Udaipur Private Limited	30.67	-
Schloss Chennai Private Limited	27.73	-
Interest Income on inter corporate deposit		
Schloss Bangalore Private Limited	-	12.14
Schloss Chanakya Private Limited	-	13.29
Interest expense on inter corporate deposit		
Schloss Chanakya Private Limited	0.21	-
Interest on 10.50% unsecured compulsorily convertible debentures		
Project Ballet HMA Holdings (DIFC) Private Limited	296.34	271.40
Managerial remuneration*		
Mr. Anuraag Bhatnagar	50.30	44.45
Mr. Rajan Shah	-	2.51
Mr. Ravi Shankar	19.40	13.01
Mrs. Jyoti Maheshwari, Company Secretary**	4.82	-

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

** The financial statements have not been authenticated by a whole time secretary as required under Section 134 of the Act. The Company's whole time secretary left the organization w.e.f. 05 April 2023 and the Company is currently in the process of appointing a whole time secretary as required under Section 203 of the Act.

(c) Outstanding balances

(Rupees in millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables*		
Schloss Chanakya Private Limited	126.37	66.96
Schloss Chennai Private Limited	73.05	-
Schloss Bangalore Private Limited	54.96	13.19
Schloss Udaipur Private Limited	1.91	-
Schloss Gandhinagar Private Limited	-	1.13
Leela Palaces and Resorts Limited	-	8.87
Tulsi Palace Resort Private Limited	26.75	17.17
Unbilled Revenue		
Schloss Chanakya Private Limited	1.41	0.18
Schloss Bangalore Private Limited	1.34	0.20
Schloss Chennai Private Limited	1.24	0.09
Schloss Udaipur Private Limited	1.21	0.24
Schloss Gandhinagar Private Limited	1.96	-
Leela Palaces and Resorts Limited	12.67	-
Reimbursement payable		
Schloss Chanakya Private Limited	-	6.02
Schloss Bangalore Private Limited	-	1.59
Tulsi Palace Resort Private Limited	-	0.12
Advance from related Party		
Schloss Chennai Private Limited	-	46.34
Schloss Udaipur Private Limited	-	71.84
Interest accrued but not due on 10.50% unsecured compulsorily convertible debentures		
Project Ballet HMA Holdings (DIFC) Private Limited	496.78	237.48
Interest on advance from related party		
Schloss Udaipur Private Limited	-	22.42
Schloss Chennai Private Limited	-	24.05
10.50% unsecured compulsorily convertible debentures		
Project Ballet HMA Holdings (DIFC) Private Limited	2,584.80	2,584.80
Inter corporate deposit Taken		
Schloss Chanakya Private Limited	600.00	-
Interest payable on inter corporate deposit		
Schloss Chanakya Private Limited	0.18	-

(d) Corporate Guarantee

Company has given corporate guarantee and created charge over its total assets for the term loan facility to the three fellow subsidiaries and related party of the Company i.e. Schloss Bangalore Private Limited, Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Chanakya Private Limited respectively (jointly co-borrower) for a total amounting to Rs. 28,000.00 millions (Previous Year: Rs. 28,000.00 millions).

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



32 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 for the year aggregated to Rs.9.76 millions (Previous year Rs.7.47 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 following details summarises the position of assets and obligations relating to the gratuity plan:

(a) Changes in the present value of the defined benefits obligation		<i>(Rupees in millions)</i>	
Particulars	As at	As at	
	31 March 2023	31 March 2022	
Defined benefit obligation at beginning of the year	17.18	16.25	
Interest cost	1.25	1.10	
Current service cost	3.12	2.46	
Benefits paid	(3.93)	(4.41)	
Actuarial (gain) / loss on obligation	(1.51)	1.78	
Present value of defined benefit obligation at the end of the year	16.11	17.18	
(b) Fair value of plan assets		<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 year	6.75	9.31	
Acquisition adjustment	-	0.98	
Actuarial return on plan assets	5.53	(1.13)	
Employer contributions	2.08	-	
Benefits paid	(3.93)	(2.41)	
Fair value of plan assets at the end of the year	10.43	6.75	
(c) Amounts recognised in the balance sheet		<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 year (a)	16.11	17.18	
Fair value of plan assets at the end of the year (b)	10.43	6.74	
Liability to be recognised in the balance sheet (a-b)	5.68	10.44	
Recognised as:			
Long-term provisions (Refer note 7)	3.98	10.22	
Short-term provisions (Refer note 11)	1.70	0.22	
(d) Balance sheet reconciliation		<i>(Rupees in millions)</i>	
Particulars	As at	As at	
	31 March 2023	31 March 2022	
Net liability at the beginning of the year	17.18	16.25	
Expense recognised in the statement of profit and loss	(2.66)	6.47	
Benefits paid	(3.93)	(4.41)	
Actuarial return on plan assets	5.53	(1.13)	
Acquisition adjustment	-	-	
Net liability at the end of the year	16.11	17.18	
e) Amounts recognised in the statement of profit and loss		<i>(Rupees in millions)</i>	
Particulars	For the year ended 31	For the year ended	
	March 2023	31 March 2022	
Current service cost	3.12	2.46	
Interest cost	1.25	1.10	
Expected return on plan assets	(0.47)	(0.63)	
Net actuarial (gain) / loss recognized in the year	(6.56)	3.54	
	(2.66)	6.47	
(f) Actuarial gain / loss on obligation		<i>(Rupees in millions)</i>	
Particulars	For the year ended 31	For the year ended	
	March 2023	31 March 2022	
Actuarial (gain) / loss arising from change in demographic assumption	-	-	
Actuarial (gain) / loss arising from change in financial assumption	(0.13)	-	
Actuarial (gain) / loss arising from experience adjustment	(1.38)	1.78	
Actuarial (gain) / loss on obligation	(1.51)	1.78	



32 Employee benefits (continued)

Particulars	(Rupees in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
(g) Actuarial gain / loss on plan assets		
Expected return on plan assets (a)	0.47	0.63
Actual return on plan assets (b)	5.53	(1.13)
Actuarial gain / (loss) on plan assets (b-a)	5.06	(1.76)

(h) Actuarial assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
	Discount rate	7.39%
Expected return on plan assets	7.00%	7.00%
Expected rate of salary increase	7.01%	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 obligations of compensated absences (non-funded) for current year is. 2.15 millions (Previous year ended 31 March 2022 reversal of compensated absences amounting to Rs. 9.230 millions) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

33 Segment reporting

The Company's only business being hotel management, 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.

34 Leases

The Company has not entered into any finance lease as specified in Accounting Standard on "Leases" (AS - 19). The Company has, however, taken corporate and commercial office premises under operating leases arrangements. These lease arrangements are normally renewed on expiry, wherever required.

During the year, an amount of Rs.34.85 millions (Previous Year: Rs. 31.73 millions) was recognised as an expense in the statement of profit and loss in respect of operating leases.

35 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. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

Management believes the Company's transactions with related parties are 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.

36 Company earns management and other operating fees from the hotels managed by the Company under the management and operating contracts entered with the hotel owner entities to provide hotel management services and a license to use the Company's trademark and other intellectual property. Management and other operating fees are either earned as a percentage of revenue and profit for the period of the hotel owner entities or are pre-determined and are recognised when earned in accordance with the terms of the contract.

In the absence of the availability of the audited financial statements of the hotel owner entities for the year ended 31 March 2023, the management and other operating fees of Rs. 1130.99 millions recognised as revenue from operations by the Company is based on the unaudited financial statements of the hotel owner entities. The management believes that the impact on the revenue from operations recognised during the year will not be material had the management and other operating fees were recognised based on the audited financial statements of the hotel owner entities.

37 State Bank of India has granted a (i) term loan facility under the Common Facility Agreement dated 30 September 2019 (Rs.27,500 millions), (ii) working capital facility under the working capital facility agreement dated 9 December 2021 (Rs. 500 millions) to the three fellow subsidiaries and related party of the Company i.e. Schloss Bangalore Private Limited, Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Chanakya Private Limited respectively (jointly co-borrower) and (iii) GECL facility under the facility agreement dated 1 March 2021 (Rs.1.470 millions) to the two fellow subsidiaries of the company i.e. Schloss Chennai Private Limited and Schloss Udaipur Private limited; and (iv) GECL facility under the facility agreement dated 22 December 2021 (Rs. 5.470 millions) to the three fellow subsidiaries and related party of the Company i.e. Schloss Bangalore Private Limited, Schloss Chennai Private Limited, Schloss Udaipur Private Limited and Schloss Chanakya Private Limited respectively (jointly co-borrower) for the total amounting to Rs. 34,940 millions (Previous Year: Rs.34,940 millions) for the purpose of acquisition and refurbishment and working capital requirements of the hotel property acquired by each of the co-borrowers. The total term loan under the said agreement is secured against assets of the Company.

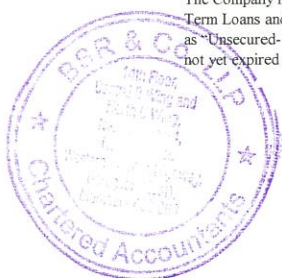
38 During the year the Company has entered into an agreement (the 'Agreement') with certain parties having direct and/or indirect shareholding interest in two specific hotel owning companies ("Shareholders"). Under the Agreement the Company has paid an amount of Rs 850 million for securing an undertaking that the Shareholders will ensure that the Hotel Management Agreements (HMA) contracts of the two specific hotels subsist till the 20th anniversary beginning from 2 October 2023. The Board of Directors of one hotel owning company has agreed to the arrangement and passed the requisite resolution and executed the Agreement as confirming party. The other hotel owning company has not executed the Agreement and certain shareholders of such hotel owning company have executed the Agreement.

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

As at 31 March 2023, the HMA contracts have been renewed for a period of 10 years for both hotels owning properties from the date of initial expiry of respective HMA contracts.

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

The Company has disclosed this amount in the balance sheet as at 31 March 2023 as "Advance for HMA renewal" under the heading Non- Current Assets as "Unsecured- Long Term Loans and Advances" amounting to INR 834 millions. The current portion of the said advance amounting to INR 16 millions is disclosed under the heading Current Assets as "Unsecured- Short term loans and Advances". These amounts paid will be amortised on a straight-line basis over a period of 20 years. As the respective HMA contracts have not yet expired as of 31 March 2023, no amount has been charged to the Statement of Profit and Loss during the year."



39 Ratio Analysis and its elements*

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	0.96	2.29	-58%	Decrease in current ratio is primarily on account of increase liability due to in inter-corporate deposit taken
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	-2.55	-4.07	-37%	Decrease in debt/equity ratio is primarily on account of business losses for the year
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	-	-	-	
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	0.46	3.35	-86%	Decrease in return on equity is primarily on account of lower business losses in current year as compared to previous years
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	2.50	1.43	75%	Increase in Trade Receivable Turnover ratio is primarily on account of increase in revenue.
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	6.15	1.07	475%	Increase in Net Capital Turnover ratio is primarily on account of increase in revenue.
Net Profit Ratio	Net Profit after tax	Net Sales	-0.33	-1.75	81%	Increase in Net profit ratio is primarily on account of increase in revenue.
Return on Capital employed	EBIT	Capital Employed	-0.02	-0.11	84%	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. Inventory Turnover Ratio : Since Company does not hold any Inventory during the Year
b. Trade Receivables Turnover Ratio : There are No Trade Receivables during the Year
c. Return on investments: since the Company does not holds any funds/investment



SCHLOSS HMA PRIVATE LIMITED

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

40 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.

41 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.

42 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.

43 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.

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



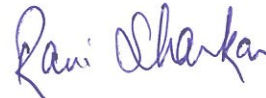
Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 20 October 2023

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

Anurag Bhatnagar
Whole time Director
DIN: 07967035

Place: Mumbai
Date: 20 October 2023



Ravi Shankar
Whole time Director
DIN: 07967039

Place: Mumbai
Date: 20 October 2023