B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

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 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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

Basis for Opinion

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

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

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

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

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

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.

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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. 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 36(g) 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 36(g) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

J.H. Sheth

Jaymin Sheth

Partner

Membership No.: 114583

ICAI UDIN:24114583BKFQMD5374

Place: Mumbai

Date: 18 June 2024

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

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in every three years. In accordance with this programme, all property, plant and equipment were verified during the year 2022-23. 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 discrepancies were 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 or provided any guarantee or security or granted any loans to companies, firms, limited liability partnership or any other parties during the year. The Company has granted advances in the nature of loans to employees during the year in respect of which the requisite information is as below. The Company has not granted any advances in the nature of loans to companies, firms, limited liability partnership during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided advances in the nature of loans to employees as below:

Particulars	Advances in the nature of loans (Rs in millions)
Aggregate amount during the year: - Employees	4.07
Balance outstanding as at balance sheet date: - Employees	2.16

(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 advances in the nature of loans 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, advances in nature of loans given to employees (as per the policy of the Company 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 is respect of advances in the nature of loans.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, 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 it's 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 has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 overall examination of the balance sheet of the Company, we report that during previous year, the Company has used funds raised on short-term basis for long-term purposes amounting to Rs 600 million for the purpose of providing advance for HMA renewal for two properties which is outstanding as at 31 March 2024.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the

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

Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

J.H. Sheth

Jaymin Sheth
Partner
Membership No.: 114583
ICAI UDIN:24114583BKFQMD5374

Place: Mumbai
Date: 18 June 2024

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

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

(Referred to in paragraph 2(A)(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 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

J.H. Sheth

Jaymin Sheth
Partner
Membership No.: 114583
ICAI UDIN:24114583BKFQMD5374

Place: Mumbai
Date: 18 June 2024

SCHLOSS HMA PRIVATE LIMITED
Balance Sheet as at March 31, 2024

(Rupees in millions)

	Notes	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
ASSETS				
Non-Current Assets				
Property, plant and equipment	3	78.56	31.27	36.03
Right-of-use assets	5	255.38	119.96	88.06
Goodwill	4	477.56	477.56	477.56
Other intangible assets	4	427.08	813.11	1,196.51
Financial assets				
- Other financial assets	6	33.36	19.34	29.11
Deferred tax assets (net)	25	-	-	-
Non current tax assets (net)	7	100.48	124.16	54.92
Other non-current assets	8	802.24	834.11	-
Total non-current assets		**2,174.66**	**2,419.51**	**1,882.19**
Current Assets				
Financial assets				
- Trade receivables	9	1,054.89	589.36	357.20
- Cash and cash equivalents	10	182.74	112.25	112.12
- Bank balances other than cash and cash equivalents	11	0.01	34.58	109.24
- Other financial asssets	6	23.12	5.56	1.37
Other current assets	8	70.49	39.78	136.78
Total current assets		**1,331.25**	**781.53**	**716.71**
TOTAL ASSETS		**3,505.91**	**3,201.04**	**2,598.90**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	109.45	109.45	109.45
Other equity				
- Equity Component of compund financial instruments	13	1,228.18	1,070.70	1,070.70
- Reserves and surplus	13	(1,151.07)	(990.06)	(885.71)
Total equity		**186.56**	**190.09**	**294.44**
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	14	2,094.11	2,058.69	1,893.36
- Lease Liabilities	5	227.78	88.17	63.37
Provisions	15	26.30	9.06	13.66
Total non-current liabilities		**2,348.19**	**2,155.92**	**1,970.39**
Current liabilities				
Financial Liabilities				
- Borrowings	14	667.87	600.18	164.54
- Lease liabilities	5	51.49	33.34	20.95
- Trade payables				
(a) Total outstanding dues of micro and small enterprises	16	6.33	1.93	0.79
(b) Total outstanding dues other than (a) above	16	45.06	70.25	29.22
- Other financial liabilities	17	96.51	77.00	75.61
Other current liabilities	18	97.82	70.36	42.45
Provisions	15	6.08	1.97	0.51
Total current liabilities		**971.16**	**855.03**	**334.07**
Total liabilities		**3,319.35**	**3,010.95**	**2,304.46**
TOTAL EQUITY AND LIABILITIES		**3,505.91**	**3,201.04**	**2,598.90**
Corporate information	1			
Summary of material accounting policies	2			

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

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

J.H.Sheth

Jaymin Sheth
Partner

Membership Number: 114583

Place: Mumbai
Date: 18 June 2024

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

Anurag Bhatnagar
Whole time Director
DIN: 07967035
Place: Mumbai
Date: 18 June 2024

Ravi Shankar
Whole time Director
DIN: 07967039
Place: Mumbai
Date: 18 June 2024

Perila Bhupendra Sheth
Company Secretary
Membership No. A29468
Place: Mumbai
Date: 18 June 2024

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2024

(Rupees in millions)

	Notes	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue from operations	19	1,536.13	1,249.61
Other income	20	18.45	11.42
Total Income		**1,554.58**	**1,261.03**
Expenses			
Employee benefit expenses	21	498.53	391.73
Finance costs	22	334.36	223.41
Depreciation and amortisation expense	23	462.97	422.10
Other expenses	24	410.86	334.68
Total expenses		**1,706.72**	**1,371.92**
(Loss) before tax		**(152.14)**	**(110.89)**
Income Tax Expense			
-Current Tax		-	-
-Deferred Tax charge/ (credit)	25	-	-
Total Tax Expense		-	-
(Loss) for the Year		**(152.14)**	**(110.89)**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurements of Post Employment Benefit Obligations	15	(8.87)	6.54
Income tax relating to these items	25	-	-
Other comprehensive (loss)/ income for the year, net of tax		**(8.87)**	**6.54**
Total comprehensive loss for the Year		**(161.01)**	**(104.35)**
Earnings per equity share (in Rs.):			
Basic earnings per share (in Rs.)	32	(4.14)	(3.01)
Diluted earnings per share (in Rs.)	32	(4.14)	(3.01)
Summary of material accounting policies	2		

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

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

J. H. Sheth

Jaymin Sheth
Partner

Membership Number: 114583

Place: Mumbai
Date: 18 June 2024

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

Anuraag Bhatnagar
Whole time Director

DIN: 07967035

Place: Mumbai
Date: 18 June 2024

Ravi Shankar
Whole time Director

DIN: 07967039

Place: Mumbai
Date: 18 June 2024

Perila Bhupendra Sheth
Company Secretary

Membership No. A29468

Place: Mumbai
Date: 18 June 2024

SCHLOSS HMA PRIVATE LIMITED

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

A. Equity Share Capital *(Rupees in millions)*

Particulars	Notes	Amount
Balance as at April 1, 2022		**109.45**
Changes in Equity Share Capital	13	-
Balance as at March 31, 2023		**109.45**
Changes in Equity Share Capital	13	-
Balance as at March 31, 2024		**109.45**

B. Other Equity

Particulars	Notes	Equity Component of compound financial instruments	Reserves and Surplus			Total
			Securities premium	Retained earnings	Retained earnings - fair value as deemed cost	
Balance as at April 1, 2022		**1,070.70**	**885.85**	**(1,772.82)**	**1.26**	**184.99**
(Loss) for the year	13	-	-	(110.89)	-	(110.89)
Other comprehensive income for the year, net of tax	13	-	-	6.54	-	6.54
Total		-	-	**(104.35)**	-	**(104.35)**
Balance as at March 31, 2023		**1,070.70**	**885.85**	**(1,877.17)**	**1.26**	**80.64**
(Loss) for the year	13	-	-	(152.14)	-	(152.14)
Other comprehensive (loss) for the year, net of tax	13	-	-	(8.87)	-	(8.87)
Gain on account of modification in terms of compound financial instruments	13	157.48	-	-	-	157.48
Total		**157.48**	-	**(161.01)**	-	**(3.53)**
Balance as at March 31, 2024		**1,228.18**	**885.85**	**(2,038.18)**	**1.26**	**77.11**

The accompanying notes are an integral part of these financial statements.

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

J.H. Sheth

Jaymin Sheth
Partner

Membership Number: 114583

Place: Mumbai
Date: 18 June 2024

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

Anurag Bhatnagar
Whole time Director

DIN: 07967035

Place: Mumbai
Date: 18 June 2024

Ravi Shankar
Whole time Director

DIN: 07967039

Place: Mumbai
Date: 18 June 2024

Perila Bhupendra Sheth
Company Secretary

Membership No. A29468

Place: Mumbai
Date: 18 June 2024

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Statement of Cash flows for the year ended 31 March 2024

(Rupees in millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cash flows from operating activities		
(Loss) before tax for the year	(152.14)	(110.89)
Adjustments for:		
Depreciation and amortisation expenses	462.97	422.10
Amortisation of management contract		-
Finance costs	334.36	223.41
Provision / write off of trade and other receivables	27.41	111.28
Unrealised foreign exchange differences	-	-
Compensated absences written back	-	-
Interest income	(0.19)	(9.48)
Loss on sale of property, plant and equipment	14.44	-
Gain on cancellation of leases	(8.58)	-
Interest income on amortisation of financial assets	(2.70)	(1.09)
Operating cash flows before working capital changes	**675.57**	**635.33**
Working capital adjustments:		
(Increase) in loans	-	-
(Increase) in receivables	(492.94)	(343.44)
(Increase)/Decrease in other financial assets	(40.09)	4.22
(Increase) in other assets	1.16	(736.29)
Decrease in trade payables	(20.79)	42.17
Increase in other financial liabilities	19.51	1.39
Increase in employee benefit obligations	12.48	(1.42)
Increase in other current liabilities	(12.99)	(9.03)
Cash generated from operations	**141.91**	**(407.07)**
Income taxes refund received/ (paid), net	23.68	(69.24)
Net cash flows generated from operating activities (A)	**165.59**	**(476.31)**
Cash flows from investing activities		
Purchase of property, plant and equipments	(72.09)	(3.05)
Purchase of Intangible assets	(0.12)	(1.64)
Proceeds from sale of property, plant and equipments	0.85	-
Bank deposit placed	-	(540.15)
Bank deposit matured	31.57	618.66
Interest received from bank deposits	0.19	8.63
Margin deposits placed	3.00	0.50
Net cash flows used in investing activities (B)	**(36.60)**	**82.94**
Cash flows from financing activities		
Proceeds from borrowings	-	600.00
Repayments of borrowings	-	(164.54)
Principal payment of lease liabilities	(25.17)	(21.23)
Finance costs paid other than lease liabilities	(7.53)	(11.95)
Finance costs paid towards lease liabilities	(25.80)	(8.78)
Net cash flows generated from/(used in) financing activities (C)	**(58.50)**	**393.49**
Net increase in cash and cash equivalents (A+B+C)	**70.49**	**0.13**
Cash and cash equivalents as at beginning of the year	112.25	112.12
Cash and cash equivalents at the end of the period	**182.74**	**112.25**
Cash on hand		
Balance with banks		
-in current account	152.74	97.10
-deposit with original maturity less than three months	30.00	15.15
Total cash and cash equivalents (Refer note 11)	**182.74**	**112.25**

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

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

J. H. Sheth

Jaymin Sheth
Partner

Membership Number: 114583

Place: Mumbai
Date: 18 June 2024

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

Anurag Bhatnagar
Whole time Director

DIN: 07967035

Place: Mumbai
Date: 18 June 2024

Ravi Shankar
Whole time Director

DIN: 07967039

Place: Mumbai
Date: 18 June 2024

Perila Bhupendra Sheth
Company Secretary

Membership No. A29468

Place: Mumbai
Date: 18 June 2024

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2024

Background and basis of preparation

1 **Background**

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 **Basis of preparation, Critical accounting estimates and judgements, Material accounting policies and Recent accounting pronouncements**

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

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

2.1 **Statement of Compliance**

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

The Company adopted to transition to Ind AS from 1st April, 2022 and hence, this is the first year of transition. The financial statements upto and for the year ended 31 March 2023, were prepared in accordance with the accounting standards as notified under Section 133 of the Act ("Previous GAAP") and other relevant provision of the Act and rules notified thereafter.

The financial statements are prepared in Indian rupees in millions.

The financial statements for the year ended 31 March 2024 are the first financial statements of the Company prepared under Ind AS. A detailed reconciliation on the impact of transition to Ind AS to the previously reported financial position has affected the company's financial position, financial performance and cash flows, in Note 34.

Historical cost convention

The financial statements have been prepared on historical cost basis, except for the following -
• certain financial assets and liabilities - measured at fair value; and
• defined benefit plans - plan assets measured at fair value.

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

2.2 **Critical Accounting estimates and judgements**

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

– **Useful Lives of Property, Plant and Equipment and Intangible Assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer note 3 and 4 for further details.

– **Impairment Testing:** Property, plant and equipment and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer note 4 for further details.

– **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss. Refer Note 25 for further details.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss. Refer note 25 for further details.

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

The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. Refer note 15 for further details.

- **Leases:** The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer Note 5 for further details.

Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

- **Fair value Measurement of Financial Instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible. Refer Note 26 for further details.

2.3 Going Concern

The Company has incurred a loss of Rs. 152.14 millions during the year ended 31 March 2024, has accumulated losses of Rs. 2,038.18 millions and net worth of Rs. 77.11 millions at 31 March 2024 and as of that date, the Company's current assets exceeded its current liabilities by Rs. 360.09 millions.

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

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

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

2.4 Current / Non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:
(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within 12 months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
Current assets include the current portion of 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 Material Accounting Policies

a) Foreign currency translation

(i) Functional and presentation currency
The functional currency of the Company is Indian Rupee.

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

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

b) Cash and cash equivalents

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

c) Earnings per share

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

Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

d) Revenue recognition and other income

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

Base Management and Incentive Management Fees:
For managed properties, the Company has performance obligations to provide hotel management services and a license to intellectual property for the use of the brand names. As compensation for such services, the Company is generally entitled to receive:

Base fees: which are a percentage of the revenues of properties,
Incentive fees: which are generally based on a measure of hotel profitability and
Marketing fees: which are generally based on room revenue of the properties.

Entire cosndieration i.e. (Base fees, Incentive fees and Marketing fees) is variable consideration, as the transaction price is based on a percentage of revenue or profit, as defined in each contract. The Company recognize all fees on a monthly basis over the term of the agreement as those amounts become payable, as long as it does not expect a significant reversal due to projected future hotel performance or cash flows in future periods.

Cost Reimbursements
Under the management agreements, the Company is entitled to be reimbursed for certain costs the Company incurs on behalf of the managed properties, with no added mark-up. These costs primarily consist of business promotion, payroll, travelling and related expenses at managed properties where the company is employer of the employees at the properties and include certain operational and administrative costs as provided for in our contracts with the owners. The Company is entitled to reimbursement in the period it incur the related reimbursable costs, which it recognize within the "Cost reimbursement revenue" under Revenue from operations caption of its Statements of profit and loss.

Other Income
Interest income is recognised on a time proportion basis taking into account amount outstanding using the effective interest rate method.

e) **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.

f) **Property Plant and equipment**
Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

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

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

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

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

Transition to Ind AS
For transition to Ind AS, the Company has elected to fair value its property, plant and equipment recognised as of 1 April 2022 (transition date).

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of assets, net of thier residual values, over thier estimated useful lives as follows:

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

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

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

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

Category of assets	Useful life (in years)
Computer software	6 years
Brand	5 years
Management contracts	5 years or terms of the contract
Website	3 years
Goodwill	5 years

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

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

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

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

Transition to Ind AS
For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 01, 2022 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Impairment of assets

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

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

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

Current tax
Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept tax position taken by the Company. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or the expected value arrived at by the Company which provides a better prediction of the resolution of uncertainty.

Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration and judicial precedent.

j) Employee benefits

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

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

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

B S R & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

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

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in Statement of Profit and Loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to 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 beyond twelve months and utilise it in future service periods or received cash compensation on termination of employment. The Company records obligation for compensated absences in the period in which the employee renders services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the Projected Unit credit method. The discount rates used for determining the present value of the liability is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit & loss.

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

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

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

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

l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value (trade receivables is measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified as:
• Debt instruments assets at amortised cost
• Equity instrument measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortised cost
A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following
• the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at fair value through profit and loss (FVTPL)
FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

In addition, the company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not made any such election. This classification is made on initial recognition and is irrevocable.

BSR & Co. LLP
14th Floor,
Central B Wing and
North C Wing,
Nesco IT Park4,
Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai - 400 063

HMA PRIVATE LI... SSO...

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investment in subsidiary are measured at cost.

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

Trade and other receivables
A trade receivable without a significant financing component is initially measured at the transaction price.
Other receivables are recognised initially at fair value plus or minus transaction costs and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Derecognition
When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

• The rights to receive cash flows from the asset have expired, or
• Based on above evaluation, either
(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii. Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai 400 063

SCHLOSS HMA PRIVATE LIMITED

m) Leases

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

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

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

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is reasonably certain that it will not exercise the option. Minimum lease payments include exercise price a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.
After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or
Variable lease: Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

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

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

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

n) Borrowing costs

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

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

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

3 Property, plant and equipment

Particular	Plant and machinery	Leasehold Improvements	Office equipments	Computers and data processing units	Vehicles*	Furniture & fixtures	Total
Gross carrying amount							
Cost as at April 1, 2022	14.26	10.40	0.45	4.68	-	4.98	**34.77**
Impact of Ind AS transition	1.26	-	-	-	-	-	**1.26**
Deemed cost as at 1 April 2022	**15.52**	**10.40**	**0.45**	**4.68**	-	**4.98**	**36.03**
Additions	0.02	-	0.17	2.75	-	-	**2.94**
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2023	**15.54**	**10.40**	**0.62**	**7.43**	-	**4.98**	**38.97**
Accumulated depreciation							-
Depreciation charge during the year	1.67	2.49	0.22	2.63	-	0.69	**7.70**
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2023	**1.67**	**2.49**	**0.22**	**2.63**	-	**0.69**	**7.70**
Net carrying amount as at March 31, 2023	**13.87**	**7.91**	**0.40**	**4.80**	-	**4.29**	**31.27**

Particular	Plant and machinery	Leasehold Improvements**	Office equipments	Computers and data processing units	Vehicles*	Furniture & fixtures	Total
Year ended March 31, 2024							
Gross carrying amount as at April 1, 2023	**15.54**	**10.40**	**0.62**	**7.43**	-	**4.98**	**38.97**
Additions	24.36	33.88	1.03	2.69	-	10.23	**72.19**
Disposals	(8.41)	(11.84)	-	-	-	(4.12)	(24.37)
Closing gross carrying amount as at March 31, 2024	**31.49**	**32.44**	**1.65**	**10.12**	-	**11.09**	**86.79**
Accumulated depreciation as at April 1, 2023	**1.67**	**2.49**	**0.22**	**2.63**	-	**0.69**	**7.70**
Depreciation charge during the year	2.32	3.41	0.36	2.66	-	0.86	9.61
Disposals	(1.83)	(5.90)	-	-	-	(1.35)	(9.08)
Closing accumulated depreciation as at March 31, 2024	**2.16**	-	**0.58**	**5.29**	-	**0.20**	**8.23**
Net carrying amount as at March 31, 2024	**29.33**	**32.44**	**1.07**	**4.83**	-	**10.89**	**78.56**

* Fully depreciated vehicle still in use.
** Accumulated depreciation of 0.60 million on partial disposal of leasehold improvement is adjusted from gross disposal.

The Company has elected to use fair value as deemed cost for all of property, plant and equipment as at the date of transition to Ind AS.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

(Rupees in millions)

4 Other intangible assets and goodwill

	Computer software	Website (Note-1)	Brand (Note-1)	Management contracts (Note-1)	Total	Goodwill (Note-1)
Gross carrying amount						
Deemed cost as at 1 April 2022	**0.55**	**16.37**	**763.55**	**416.05**	**1,196.51**	**477.56**
Additions	1.64	-	-	-	1.64	-
Disposals	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2023	**2.19**	**16.37**	**763.55**	**416.05**	**1,198.15**	**477.56**
Accumulated amortisation						
Amortisation charge during the year	0.35	6.81	299.75	78.13	385.04	-
Disposals	-	-	-	-	-	-
Closing accumulated ammortisation as at March 31, 2023	**0.35**	**6.81**	**299.75**	**78.13**	**385.04**	-
Net carrying amount as at March 31, 2023	**1.84**	**9.56**	**463.80**	**337.92**	**813.11**	**477.56**

Particulars	Computer software	Website (Note-1)	Brand (Note-1)	Management contracts (Note-1)	Total	Goodwill (Note-1)
Year ended March 31, 2024						
Gross carrying amount as at April 1, 2023	**2.19**	**16.37**	**763.55**	**416.05**	**1,198.15**	**477.56**
Additions	0.12	-	-	-	0.12	-
Disposals	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2024	**2.31**	**16.37**	**763.55**	**416.05**	**1,198.27**	**477.56**
Accumulated ammortisation as at April 1, 2023	**0.35**	**6.81**	**299.75**	**78.13**	**385.04**	-
Amortisation charge during the year	0.42	6.83	300.56	78.34	386.15	-
Disposals	-	-	-	-	-	-
Closing accumulated ammortisation as at March 31, 2024	**0.77**	**13.64**	**600.31**	**156.47**	**771.19**	-
Net carrying amount as at March 31, 2024	**1.54**	**2.73**	**163.24**	**259.58**	**427.08**	**477.56**

For intangible assets the company has elected to continue with the carrying value as recognised in its previous GAAP financial statements as deemed cost.

Note 1: Details of Intangible Assets pledged:
The lender has granted a term loan facility under the Common Facility Agreement dated 30 September 2019 to the four co-borrowers i.e. Schloss Chennai Private Limited, Schloss Bangalore Private Limited, Schloss Chanakya Private Limited and Schloss Udaipur Private Limited, for a total amounting to Rs. 27,500.00 millions for the purpose of acquisition (Rs. 25,500 millions) and refurbishment of the hotel property (Rs. 2,000 millions) fully fungible amongst each of the four co-borrower's hotel property. The door to door tenure of the loan is 15 years including moratorium of one year.

The total term loan under the said agreement is secured against assets of the all co-borrowers and obligators i.e. Schloss HMA Private Limited and Leela Palaces and Resorts Limited under the Common Facility Agreement, interalia, including:
i. Exclusive charge on brand 'The Leela' pertaining to Hotels, other intangibles, Goodwill, Intellectual Property (IP), uncalled capital (present and future).
ii. First charge on the entire current assets (present and future).
iii. Hypothecation of cash flows.

Note 2: Impairment testing:
Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

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

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

The carrying amount of goodwill is Rs. 477.56 Mn (31 March 2023 - Rs. 477.56 Mn). The estimated value-in-use of this CGU is based on the future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and a discount rate of 10.71% p.a. An analysis of the sensitivity of the computation to a change in key parameters (EBITDA, discount rates and terminal value), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

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

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

5 Leases

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

Office Premises	As at March 31, 2024	As at March 31, 2023
Right-of-use assets		
Opening balance	149.40	88.06
Additions during the year	297.65	61.34
Derecognition of right-of-use assets	(149.40)	-
Closing balance	**297.65**	**149.40**
Accumulated depreciation on Right-of-use assets		
Opening	29.44	-
Additions during the year	67.29	29.44
Derecognition of right-of-use assets	(54.46)	-
Closing balance	42.27	29.44
Net Right of use assets	**255.38**	**119.96**

Office Premises	As at March 31, 2024	As at March 31, 2023
Lease liabilities		
Opening Lease Liability:		
Lease liabilities - Current	33.34	20.95
Lease liabilities - Non Current	88.17	63.37
Additions during the year	282.09	58.41
Interest on unwinding of lease liabilities	25.80	8.80
Derecognition of lease liabilities	(99.16)	0.00
Repaid during the year	(50.97)	(30.02)
Closing balance	**279.27**	**121.51**
Lease liabilities - Current	51.49	33.34
Lease liabilities - Non Current	227.78	88.17
	279.27	**121.51**

(ii) Amounts recognized in the statement of profit and loss
The statement of profit and loss shows the following amounts relating to leases:

	Notes	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation charge of right-of-use assets	23	**67.29**	**29.44**
- Office premises		67.29	29.44
Expense relating to short-term leases (included in other expenses)	24	**2.16**	**4.83**

Total cash outflow for leases during the year is 50.97 million out of which Rs. 25.17 million is towards principal payment of lease liabilities and Rs. 25.8 million towards interest paid on lease liabilities.

(Previous year: Rs. 30.02 million out of which Rs.21.23 million is towards principal payment of lease liabilities and Rs. 8.8 million towards interest paid on lease liabilities.)

(iii) Extension and termination options

Extension and termination options are included in majority of lease contracts entered by the company. Rental contracts for the premises may include extension and termination options. These options are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised. Periods covered by a termination option are included in the lease term if the Company is reasonably certain not to exercise the option. Otherwise, the lease term ends at the point in time when the Company can exercise the termination option.

(iv) Critical judgements in determining the lease term:

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

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

6 Other financial assets

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Fixed deposit account with original maturity of more than 12 months	-	-	14.99
Security deposits			
Unsecured, considered good	33.36	19.34	14.12
Total	**33.36**	**19.34**	**29.11**
Current			
Other receivables (refer Note 33)	23.12	5.56	1.37
Total	**23.12**	**5.56**	**1.37**

7 Non current tax assets (net)

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Advance tax and tax deducted at source (net of provision for tax: nil)	100.48	124.16	54.92
Total	**100.48**	**124.16**	**54.92**

Movement of Non-current tax assets	As at March 31, 2024	As at March 31, 2023
Opening balance	124.16	54.92
Less: Current tax payable for the year	-	-
Add: Taxes paid / (refund received)	(23.68)	69.24
Closing balance	**100.48**	**124.16**

8 Other assets

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Advance for hotel management contract renewal (Refer note (a) below)	802.24	834.11	-
Total	**802.24**	**834.11**	-
Current			
Balances with governmental authorities			
- With GST authorities	11.65	2.66	127.35
Advance for hotel management contract renewal (Refer note (a) below)	31.87	15.89	-
Advance to employees	2.16	2.34	1.52
Advance paid to vendor	4.12	6.54	0.55
Prepaid expenses	20.69	12.35	7.36
Total	**70.49**	**39.78**	**136.78**

Note:

(a) During the previous 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 owing 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. These amounts paid will be amortised on a straight-line basis over a period of 20 years. During the year Rs. 15.89 million has been charged to the Statement of Profit and Loss.
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.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East) Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

9 Trade receivables

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Trade receivables from contract with customers - billed	615.70	548.88	422.26
Trade receivables from contract with customers -billed - related parties (Refer note 33)	745.85	321.64	107.64
Trade receivables from contract with customers - unbilled - related parties - (Refer note 33)^	14.82	19.83	0.70
Trade receivables from contract with customers – unbilled^	16.07	9.15	13.80
Less: Loss allowance	(337.55)	(310.14)	(187.20)
Total trade receivables	**1054.89**	**589.36**	**357.20**
Current portion	1054.89	589.36	357.20
Break-up of security details			
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	1392.44	899.50	544.40
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables – credit impaired	-	-	-
Total	**1,392.44**	**899.50**	**544.40**
Loss allowance	(337.55)	(310.14)	(187.20)
Total trade receivables	**1,054.89**	**589.36**	**357.20**

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

(i) Trade receivables are non-interest bearing and are generally on payment terms of 0 to 30 days.

(ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 33.

(iii) For related party balances refer Note 33.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

Aging of trade receivables as at March 31, 2024

Particulars		Outstanding for following periods from the due date						Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed trade receivables								-
considered good	30.89	-	906.45	138.76	72.18	81.36	162.80	1,392.44
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-						-
Disputed trade receivables			-	-	-	-	-	-
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	(30.06)	(64.03)	(80.67)	(162.80)	(337.55)
Total trade receivables	**30.89**	**-**	**906.45**	**108.69**	**8.15**	**0.70**	**-**	**1,054.89**

Aging of trade receivables as at March 31, 2023

Particulars		Outstanding for following periods from the due date						Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed trade receivables								
considered good	28.98	-	550.36	64.09	88.57	22.49	145.01	899.50
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								-
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-		-	-		-
Less: Loss allowance			(9.18)	(46.67)	(87.01)	(22.27)	(145.01)	- (310.14)
Total trade receivables	**28.98**	**-**	**541.18**	**17.42**	**1.56**	**0.22**	**-**	**589.36**

Aging of trade receivables as at April 1, 2022

		Outstanding for following periods from the due date						Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed trade receivables								
considered good	14.50	-	216.42	101.33	25.71	109.63	76.81	544.40
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-		-
Disputed trade receivables								-
considered good	-	-	-		-	-		-
which have significant increase in credit risk	-	-	-		-	-		-
credit impaired	-	-	-		-	-		-
Less: Loss allowance		-	-	(14.10)	(8.47)	(87.82)	(76.81)	- (187.20)
Total trade receivables	**14.50**	**-**	**216.42**	**87.23**	**17.24**	**21.81**	**-**	**357.20**

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

10 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Balances with banks			
- in current accounts	152.74	97.10	82.12
- deposit with original maturity less than three months	30.00	15.15	30.00
Total cash and cash equivalents	**182.74**	**112.25**	**112.12**

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

11 Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Margin money deposits (Refer note (a) below)	-	3.00	3.50
Deposits with banks with original maturity more than three months but less than twelve months	0.01	31.58	105.74
Total bank balances other than cash and cash equivalents	**0.01**	**34.58**	**109.24**

Note:

(a) Margin money deposits represents amount of Rs.3.00 million deposited towards performance guarantee given to Maharashtra Tourism Development Corporation for Development, Operation and maintenance of tourist resort at Tadoba.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

12 Equity share capital

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Authorised			
22,500,000 (31 March 2023 - 22,500,000 and 1 April 2022 - 22,500,000) equity shares of Rs.10 each	225.00	225.00	225.00
Issued, subscribed and paid up			
10,944,597 (31 March 2023 - 10,944,597 and 1 April 2022 - 10,944,597) equity shares of Rs.10 each, fully paid up	109.45	109.45	109.45
Total	**109.45**	**109.45**	**109.45**

(i) Movements in share capital

(a) Authorised Share capital

	No. of shares	Amount
As at April 1, 2022	**2,25,00,000**	**225.00**
Increase/(decrease) during the year	-	-
As at March 31, 2023	**2,25,00,000**	**225.00**
Increase/(decrease) during the year	-	-
As at March 31, 2024	**2,25,00,000**	**225.00**

(b) Issued, subscribed and paid up

	No. of shares	Amount
As at April 1, 2022	**1,09,44,597**	**109.45**
Changes in Equity Share Capital	-	-
As at March 31, 2023	**1,09,44,597**	**109.45**
Changes in Equity Share Capital	-	-
As at March 31, 2024	**1,09,44,597**	**109.45**

Terms, rights, preferences and restrictions attached to equity shares

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

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

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

As at March 31, 2024

	No. of shares	% Holding
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99999%

As at March 31, 2023

	No. of shares	% Holding
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99999%

As at April 1, 2022

	No. of shares	% Holding
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99999%

(iii) Shares of the company held by holding/Intermediate holding company

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	1,09,44,596	1,09,44,596
BSREP III India Ballet Holdings (DIFC) Limited, Intermediate holding company	1	1	1

(iv) Details of shareholding of promoters:

As at March 31, 2024

Name of the promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99999%	-
BSREP III India Ballet Holdings (DIFC) Limited, Intermediate holding company	1	0.00001%	-
	1,09,44,597	**100.00%**	-

As at March 31, 2023

Name of the promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99999%	-
BSREP III India Ballet Holdings (DIFC) Limited, Intermediate holding company	1	0.00001%	-
	1,09,44,597	**100.00%**	-

As at April 1, 2022

Name of the promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Project Ballet HMA Holdings (DIFC) Private Limited, holding company	1,09,44,596	99.99999%	-
BSREP III India Ballet Holdings (DIFC) Limited, Intermediate holding company	1	0.00001%	-
	1,09,44,597	**100.00%**	-

(v) Terms of any securities convertible into equity

Refer Note 15(a) for terms of conversion of Compulsorily Convertible Debentures into equity shares.

(vi) The company has not issued any bonus shares, shares for consideration other than cash and neither bought back any shares from the date of incorporation.

(Rupees in millions)

13 Other Equity

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Equity Component of compund financial instruments	1,228.18	1,070.70	1,070.70
Securities premium	885.85	885.85	885.85
Retained earnings	(2,038.18)	(1,877.17)	(1,772.82)
Retained earnings - fair value as deemed cost	1.26	1.26	1.26
Total	**77.11**	**80.64**	**184.99**

a) Equity Component of compund financial instruments

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Opening balance	1,070.70	1,070.70	1,070.70
Add: Net gain on account of modification of terms of financial instruments	157.48	-	-
Less: converted to equity during the year	-	-	-
Closing balance	**1,228.18**	**1,070.70**	**1,070.70**

For key terms of the instrument refer note 14(a)

b) Securities premium

	As at March 31, 2024	As at March 31, 2023
Opening balance	885.85	885.85
Addition during the year	-	-
Closing balance	**885.85**	**885.85**

c) Retained earnings

	As at March 31, 2024	As at March 31, 2023
Opening balance	(1,877.17)	(1,772.82)
Net profit for the period	(152.14)	(110.89)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligations, net of tax	(8.87)	6.54
Closing balance	**(2,038.18)**	**(1,877.17)**

d) Retained earnings - fair value as deemed cost

	As at March 31, 2024	As at March 31, 2023
Opening balance	1.26	1.26
Less: additional depreciation due to fair value impact on transition date	-	-
Closing balance	**1.26**	**1.26**

Nature and purpose of reserves:

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

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

iii Retained earnings - fair value as deemed cost
As per Ind AS 101, the Company has elected to measure all item of property, plant and equipment at the date of transition to Ind AS at its fair value and used that fair value as its deemed cost at that date. The gain on fair valuation is part of retained earnings and is not available for distribution. (Refer Note 34)

iv Equity component of compound financial instrument
This represents the equity portion of compulsory convetible debentures issued to Project Ballet Bangalore Holdings (DIFC) Pvt. Limited, holding company. (Refer Note 14(a))

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

(Rupees in millions)

14 Borrowings

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-current			
Unsecured			
Liability component of compulsary convertible debenture	2,094.11	2,058.69	1,893.36
Total	**2,094.11**	**2,058.69**	**1,893.36**
Current			
Unsecured			
Inter corporate deposit (ICD) from related party (refer Note (d) below and refer note 33)	667.87	600.18	-
Loans from related parties (refer note (c) below)	-	-	164.54
Total	**667.87**	**600.18**	**164.54**

(a) The Company had issued 2,58,48,000 compulsory convertible debnetures ("CCDs") having face value of Rs. 100 each and term of 15 years on 16 October 2019. These CCDs carries 10.50% p.a. coupon rate. The CCD holder shall be entitled to interest on the principal amount of CCDs outstanding at a rate of 10.50 % per annum compounded on a yearly basis, until conversion of the CCDs.

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 i.e. Project Ballet HMA Holdings (DIFC) Private Limited 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.

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.

The Company is liable to pay the interest portion on the CCD and at the end of the term of the CCD it will be converted into equity shares in the ratio of 1:1. The interest and equity conversion as included in the CCD instrument requires it to be classified as compound financial instrument having an equity component for conversion and liability component for cash outflows towards interest payments. Liability component is recorded as present value of cashoutflows towards interest portion and the residual amount after deducting the liability component from the gross value of the instrument is recorded as equity component post deferred tax adjustment (refer note 13).

Modification in terms of Compulsorily Convertible Debentures (CCDs): As per the original terms, the CCD holder was entitled to interest @ 10.50%. The Company entered into addendum agreement dated 28 September, 2023 with the CCD holder for alteration of the CCD terms. As per the new terms, the CCD holder shall be entitled to interest on the principal amount at the rate of 10.50% p.a. till March 2029 and henceforth it will be 12.50% p.a. compounded on yearly basis until conversion. Company accounted the modification as substantial modification resulting into extinguishment and recognised the gain of Rs. 157.48 million in equity.

(b) **Inter corporate deposit (ICD) from related party:** Inter corporate deposit has been taken from Schloss Chanakya Private Limited for a total of Rs. 600 millions. The ICD carries interest rate of 12.50 % p.a and same are repayable on demand.

(c) **Loans from related parties:** Loans have been taken from Schloss Chennai Private Limited and Schloss Udaipur Private Limited. The loan carries interest rate of 12.50 % p.a and same are repayable on demand.

Net Debt Reconcilliation
This section sets out an analysis of net debt and movements in net debt for each of the periods presented.

	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Borrowings	(2,761.98)	(2,658.87)	(2,057.90)
Lease liabilities	(279.27)	(121.51)	(84.32)
Cash and cash equivalents	182.74	112.25	112.12
Total	**(2,858.51)**	**(2,668.13)**	**(2,030.10)**

Reconcilliation

	Borrowings	Lease liabilities	Cash and cash equivalents	Total
Net debt as at April 1, 2022	**2,057.90**	**84.32**	**112.12**	**2,254.34**
Interest expense	214.50	8.80	-	**223.30**
New leases	-	58.41	-	**58.41**
Cash flows	435.45	(21.22)	0.13	**414.36**
Interest paid	(11.93)	(8.80)	-	**(20.73)**
Others	(37.04)	-	-	**(37.04)**
Net debt as at March 31, 2023	**2,658.87**	**121.51**	**112.25**	**2,892.64**
Interest expense	308.56	25.80	-	**334.36**
New leases	-	282.09	-	**282.09**
Derecognition of lease liabilities	-	(99.16)	-	**(99.16)**
Cash flows	-	(25.17)	70.49	**45.32**
Interest paid	(7.53)	(25.80)	-	**(33.33)**
Gain on modification compulsary convertible debenture	(157.48)	-	-	**(157.48)**
Others	(40.45)	-	-	**(40.45)**
Net debt as at March 31, 2024	**2,761.98**	**279.27**	**182.74**	**3,223.99**

(Rupees in millions)

15 Provisions

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non-Current			
Provision for:			
- Compensated absences	10.38	5.08	3.46
- Gratuity	15.92	3.98	10.20
Total	**26.30**	**9.06**	**13.66**
Current			
Provision for:			
- Compensated absences	3.17	0.27	0.29
- Gratuity	2.91	1.70	0.22
Total	**6.08**	**1.97**	**0.51**

a) Defined contributions plan: Provident fund

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.13.61 million (Previous year Rs.9.76 millions).

b) Compensated absences

Compensated absences covers the Company's liability for earned leaves. Accumulated compensated absences, which are expected to be availed or encashed are treated as employee benefits. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the period end.
The Company's liability is actuarially determined (using the Projected Unit Credit method) by an Independent actuary at the end of the period. Actuarial losses/ gains are recognised in Other Comprehensive Income in the period in which they arise.

The expense of compensated absences (non-funded) for the year ended 31 March 2024 amounting to Rs. 8.56 Million (31 March 2023: Rs. 1.76 million) has been recognized in the statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

c) Defined benefit plan obligations: Gratuity

The Company operates post-employment funded defined benefit plan that provides gratuity. The scheme provides for lumpsum payment to eligible employees on retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to a limit of Rs. 20 lakhs. The amounts in excess of the limit are to be borne by the Company as per policy. Eligibility occurs upon completion of five years of service.
The present value of the defined benefit obligation and current service cost are measured using the projected unit credit method with actuarial valuations being carried out at each balance sheet date.

Amounts recognised in the statement of profit and loss

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Defined benefit plans		
- Compensated absences	8.56	1.76
- Gratuity	5.44	3.88
Total	**14.00**	**5.64**

Amounts recognised in Other Comprehensive Income:

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Remeasurements for:		
- Gratuity	(8.87)	6.54
Total	**(8.87)**	**6.54**

Gratuity plan

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended April 01, 2022
Present value of defined benefit obligation	(31.21)	(16.11)	(17.18)
Fair value of plan assets	12.37	10.43	6.75
Net defined benefit obligation	(18.83)	(5.68)	(10.42)
Present value of funded defined benefit obligations	-	-	-
Impact of minimum funding requirement/asset	-	-	-
Net defined benefit liability recognised in the Balance Sheet	(18.83)	(5.68)	(10.42)

Net defined benefit liability is bifurcated as follows:

Current	2.91	1.70	0.22
Non-current	15.92	3.98	10.20

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the period are as follows:

Particulars	Present value of obligations	Fair value of plan assets	Net amount
As at 01 April 2022	(17.18)	6.75	(10.42)
Current service cost	(3.12)	-	(3.12)
Interest expense/ (income)	(1.25)	0.49	(0.76)
Total amount recognised in the Statement of profit and loss	(4.37)	0.49	(3.88)
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	5.04	5.04
- (Gain)/ loss from change in demographic assumptions	-	-	-
- (Gain)/ loss from change in financial assumptions	0.13	-	0.13
- Experience (gains)/ losses	1.38	-	1.38
Total amount recognised in other comprehensive income	**1.51**	**5.04**	**6.54**
Employer contributions	-	2.08	2.08
Benefit payments	3.93	(3.93)	0.00
As at 31 March 2023	**(16.11)**	**10.43**	**(5.68)**
Current service cost	(5.02)	-	(5.02)
Interest expense/ (income)	(1.20)	(0.78)	(0.42)
Total amount recognised in the Statement of profit and loss	(6.22)	(0.78)	(5.44)
Remeasurements:			
- Return on plan assets, excluding amounts included in interest expense/ (income)	-	-	-
- (Gain)/ loss from change in demographic assumptions	0.13	-	0.13
- (Gain)/ loss from change in financial assumptions	(2.25)	-	(2.25)
- Experience (gains)/ losses	(6.75)	-	(6.75)
Total amount recognised in other comprehensive income	**(8.87)**	**-**	**(8.87)**
Employer contributions	-	1.16	1.16
Benefit payments	-	-	-
As at 31 March 2024	**(31.21)**	**12.37**	**(18.83)**

Actuarial assumptions were as follows:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Discount rate	7.25%	7.39%	7.26%
Salary growth rate	8.00%	7.00%	7.00%
Mortality rate during employment	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Attrition at Ages			
- Up to 30 Years	3.00%	2.00%	2.00%
- From 31 to 44 years	3.00%	1.00%	1.00%
- Above 44 years	3.00%	1.00%	1.00%

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

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

15 Provision (Cont.)

Sensitivity analysis

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

Particulars	As at 31 March 2024	As at 31 March 2023
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	31.21	16.11
Impact due to increase of 0.50%	(0.96)	(0.51)
Impact due to decrease of 0.50%	1.02	0.55
		0.00
b) Impact of the change in salary increase		0.00
Present Value of Obligation at the end of the period	31.21	16.11
Impact due to increase of 0.50%	1.01	0.55
Impact due to decrease of 0.50%	(0.96)	(0.51)

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

Maturity analysis

The weighted average duration to the payment of these cash flows is 11.25 years.
The expected maturity analysis of undiscounted post-employment defined benefit obligations is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2024					
- Gratuity	2.91	4.92	7.12	16.26	**31.21**
Total	**2.91**	**4.92**	**7.12**	**16.26**	**31.21**
As at March 31, 2023					
- Gratuity	1.70	2.31	4.52	7.57	**16.11**
Total	**1.70**	**2.31**	**4.52**	**7.57**	**16.11**
As at April 1, 2022					
- Gratuity	0.22	1.29	4.09	11.57	17.18
Total	**0.22**	**1.29**	**4.09**	**11.57**	**17.18**

Risk exposure

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

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

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

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The major categories of plans assets -

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

BSR & Co. LLP
14th Floor,
Central B Wing and
North C Wing,
Nesco IT Park4,
Nesco Center,
Western Express Highway
Goregaon (East)
Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

16 **Trade payables**

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Trade payables - micro and small enterprises	6.33	1.93	0.79
Trade payables - others	44.10	31.66	21.37
Trade payables - to related parties (refer note 33)	0.96	38.59	7.85
Total trade payables	**51.39**	**72.18**	**30.01**

Ageing of trade payables as at 31 March 2024

Particulars	Unbilled	Not due	Outstanding for following periods from due dates				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	-	-	6.29	0.02	0.00	-	6.32
Others	3.34	-	40.82	0.30	0.30	0.31	45.07
Disputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	3.34	-	47.12	0.32	0.30	0.31	51.39

Ageing of trade payables as at 31 March 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due dates				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	-	-	1.94	-	-	-	1.94
Others	4.77	-	65.47	-	-	-	70.24
Disputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	4.77	-	67.41	-	-	-	72.18

Ageing of trade payables as at 01 April 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due dates				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	-	-	0.79	-	-	-	0.79
Others	7.57	-	21.65	-	-	-	29.22
Disputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	7.57	-	22.44	-	-	-	30.01

Outstanding Dues to Micro and Small Enterprises

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
-Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:			
- Principal amount	6.33	1.93	0.79
- Interest due thereon	-	-	-
- Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
-Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
-Amount of the payment made to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
-Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
-The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

17 **Other financial liabilities**

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Current			
Retention money	3.13	0.03	1.25
Security deposits for tender	0.07	0.07	0.07
Employee dues payable	93.31	76.90	74.29
Total	**96.51**	**77.00**	**75.61**

18 **Other liabilities**

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Current			
Professional tax payable	0.01	0.01	0.01
TDS payable	61.33	49.37	40.76
GST payable	33.77	18.92	0.09
Provident fund payable	2.71	2.06	1.59
Labour welfare fund payable*	-	-	-
Total	**97.82**	**70.36**	**42.45**

* Amounts are below the rounding off norms adopted by the Company

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

(Rupees in millions)

19 Revenue from operations

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue from services		
Management and other operating fees	1,536.13	1,249.61
Total	**1,536.13**	**1,249.61**

Disaggregation of revenue

	For the Year ended March 31, 2024		For the Year ended March 31, 2023	
	At a point in time	Over time	At a point in time	Over time
-Management and marketing fees	-	558.68	-	482.69
-Incentive fees	-	643.77	-	602.85
-Corporate and other support fees	-	77.00	-	45.46
-Cost reimbursement revenue	-	256.68	-	118.62
	-	**1,536.13**	**-**	**1,249.61**

20 Other income

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a) Other income:		
Interest income on financial assets recognised at amortised cost:		
- Deposits with banks	0.19	7.88
- Security deposits	2.70	1.09
- Others	-	1.60
Interest on Income tax refund	6.38	0.84
Miscellaneous Income	0.60	0.01
(b) Other gains / (losses)		
- Gain on cancellation of leases	8.58	-
Total	**18.45**	**11.42**

21 Employee benefit expenses

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries, wages and bonus	413.77	344.20
Contribution to provident fund	13.61	9.77
Staff welfare expenses	57.15	32.12
Gratuity	5.44	3.88
Leave compensation	8.56	1.76
Total employee benefit expenses	**498.53**	**391.73**

22 Finance costs

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest expense on:		
- Lease liability	25.80	8.80
- Compulsorily Convertible Debentures (CCDs)	233.35	202.37
- Inter Corporate Deposits (ICDs)	75.21	0.21
- Advance in the nature of loan	-	11.92
Other finance costs	-	0.11
Total finance costs	**334.36**	**223.41**

23 Depreciation and amortization expenses

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation on property, plant and equipments	9.59	7.70
Amortisation on intangible assets	386.09	384.96
Depreciation on right-of-use assets	67.29	29.44
Total depreciation and amortisation expenses	**462.97**	**422.10**

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

24 Other expenses

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rental charges	2.16	4.83
Repairs and maintenance - others	4.87	4.09
Telephone and communication charges	5.95	4.21
Rates and taxes	1.23	3.63
Insurance	22.19	0.82
Travel and conveyance	28.21	27.28
Payment to auditors (refer note below)	2.10	2.54
Legal, professional and secretarial expenses	58.37	50.50
Printing & stationery	5.16	4.35
Bank charges	1.36	1.16
Business promotion	203.33	113.57
Security charges	1.08	-
Amortisation of advance given for hotel management contract	15.89	-
Net loss on sale of property, plant and equipment	14.44	-
Impairment losses/(reversal) on financial assets	27.41	111.28
Miscellaneous expenses	17.11	6.42
Total other expenses	**410.86**	**334.68**

Details of payments to auditors

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Payment to auditors		
As auditor:		
- Audit fee	2.10	2.48
- Out of pocket expenses	-	0.06
In other capacities:		
- Taxation matters	-	-
Total payment to auditors	**2.10**	**2.54**

(Rupees in millions)

25 Taxation

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

(a) Income tax expense

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current tax		
Current tax on Profit for the year	-	-
Tax impact of earlier years	-	-
Total current tax expenses	-	-
Deferred Income tax (benefit)		
Decrease/ (Increase) in deferred tax assets	**(34.00)**	**19.00**
(Decrease)/ Increase in deferred tax liabilities	**34.00**	**(19.00)**
Total deferred tax expenses/(benefit)	-	-
Income tax expense	-	-
Income tax expense attributable to :		
Profit from operations	-	-
Other comprehensive income	-	-
Total	-	-

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

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit from operations before income tax expense including remeasurements of post employment	(152.14)	(110.89)
Tax rate	25.168%	25.168%
Tax rate	**(38.29)**	**(27.91)**
Tax effect of amounts which are not deductible / taxable in calculating taxable income :		
Disallowance of interest on Compulsorily Convertible Debentures (CCDs)	58.73	50.93
Tax losses for which no deferred tax asset was recognised	(20.44)	(23.49)
Total	-	-

(c) Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Deferred tax assets			
Lease liabilities	64.29	30.00	21.43
Provisions	-	-	3.57
Security deposits	-	-	1.00
Trade Receivables	-	-	23.00
Total:	**64.29**	**30.00**	**49.00**
Deferred tax liability			
Property, plant and equipment and Intangible Assets	-	-	(27.00)
Right of use assets	(64.29)	(30.00)	(22.00)
Total:	**(64.29)**	**(30.00)**	**(49.00)**
Net Total:	-	-	-

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

(c) Movement in Deferred Tax for the year ended 31 March 2024

	Balance as on 31 March 2023	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge	Balance as on 31 March 2024
Deferred tax assets				
Lease liabilities	30.00	34.29	-	64.29
Deferred tax liability				
Right of use assets	(30.00)	(34.29)	-	(64.29)
Total deferred tax assets/(liabilities)	-	-	-	-

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

Movement in Deferred Tax for the year ended 31 March 2023

	Balance as on 1 April 2022	Accounted through statement of profit & loss charge/(credit)	Accounted through OCI charge	Balance as on 31 March 2023
Deferred tax assets				
Lease liabilities	21.43	8.57	-	30.00
Provisions	3.57	(3.57)	-	-
Security deposits	1.00	(1.00)	-	-
Expected credit loss	23.00	(23.00)	-	-
Deferred tax liability				
Property, plant and equipment and intangible assets	(27.00)	27.00	-	-
Right of use assets	(22.00)	(8.00)	-	(30.00)
Total deferred tax assets/(liabilities)	-	-	-	-

(d) Unrecognised temporary differences

	Balance as on 31 March 2024	Balance as on 31 March 2023	Balance as on 1 April 2022
Loss allowance on Trade receivable	354.80	310.14	187.20
Others	232.55	15.58	114.00
	587.35	**325.72**	**301.20**

Net deferred tax assets / (liability)

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

(e) Tax losses

	Balance as on 31 March 2024	Balance as on 31 March 2023	Balance as on 1 April 2022
Unused tax losses and Unabsorbed Depreciation for which no deferred tax asset has been recognised	605.74	929.41	1,102.33
Potential tax benefit @ 25.168%	152.45	233.91	277.43
Period of expiry:			
Unused tax losses	-	**10.58**	**173.19**
	-	*April 1, 23 to 31 March 29**	*April 1, 22 to 31 March 29**
Unabsorbed Depreciation	**605.74**	**918.82**	**929.14**
	No Expiration	*No Expiration*	*No Expiration*

* Unused tax loss has a different expiry period.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

26 Fair Value Measurement

(i) Financial instruments by category

As at March 31, 2024

	Carrying amount			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	1,054.89	1,054.89
Cash and cash equivalents	-	-	182.74	182.74
Other financial assets	-	-	56.48	56.48
Total financial assets	-	-	**1,294.12**	**1,294.12**
Financial liabilities				
Borrowings	-	-	2,761.98	2,761.98
Trade payables	-	-	51.39	51.39
Lease liabilties	-	-	279.27	279.27
Other financial liabilities	-	-	96.51	96.51
Total financial liabilities	-	-	**3,189.15**	**3,189.15**

As at March 31, 2023

	Carrying amount			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	589.36	589.36
Cash and cash equivalents	-	-	112.25	112.25
Bank balances other than cash and cash equivalents	-	-	34.58	34.58
Other financial assets	-	-	24.90	24.90
Total financial assets	-	-	**761.09**	**761.09**
Financial liabilities				
Borrowings	-	-	2,658.87	2,658.87
Trade payables	-	-	72.18	72.18
Lease liabilties	-	-	121.51	121.51
Other financial liabilities	-	-	77.00	77.00
Total financial liabilities	-	-	**2,929.56**	**2,929.56**

As at April 01, 2022

	Carrying amount			
	FVTPL	FVOCI	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	357.20	357.20
Cash and cash equivalents	-	-	112.12	112.12
Bank balances other than cash and cash equivalents	-	-	109.24	109.24
Other financial assets	-	-	30.48	30.48
Total financial assets	-	-	**609.04**	**609.04**
Financial liabilities				
Borrowings	-	-	2,057.90	2,057.90
Trade payables	-	-	30.01	30.01
Lease liabilities	-	-	84.32	84.32
Other financial liabilities	-	-	75.61	75.61
Total financial liabilities	-	-	**2,247.84**	**2,247.84**

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements).

The carrying amounts of trade receivables, cash and cash equivalents, fixed deposits with banks, trade payables, loan are considered to be the same as their fair values, due to their short-term nature.

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

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

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

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

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. .
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Rupees in millions)

27 Financial Risk Management

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

Finance team and experts of respective business divisions provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:
-protect the Company's financial results and position from financial risks
-maintain market risks within acceptable parameters, while optimising returns; and
-protect the Company's financial investments, while maximising returns.

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

A. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from loans given to related party, trade receivables, cash and bank balance and other financial assets.
The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.
Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions, credit risk on them is therefore insignificant.

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

Security deposits and other receivables

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

The Company also establishes an allowance for impairment that represents its estimate of loss allowance in respect of trade receivables. The carrying amounts of trade receivables as disclosed in note number 9 represent the maximum credit risk exposure.

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Opening	310.14	187.20
Loss allowance recognised	27.41	122.94
Amounts written off	-	-
Closing	337.55	310.14

B. Liquidity risk

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

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

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

(i) Financing arrangements

There are no undrawn bank facilities during the year (Previous Year: Rs. Nil).

(ii) Maturities of financial liabilities

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

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

(Rupees in millions)

Contarctual maturities of financial liabilities

The amounts disclosed in the below table are the contractual undiscounted cash flows:

As at March 31, 2024	Carrying Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	2,761.98	667.87	-	-	7,671.44	8,339.31
Lease liabilities	279.27	76.07	73.39	190.03	-	339.49
Trade payables	51.39	51.39	-	-	-	51.39
Other financial liabilities	96.51	96.51	-	-	-	96.51
						-
Total financial liabilities		**891.84**	**73.39**	**190.03**	**7,671.44**	**8,826.69**

As at March 31, 2023	Carrying Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	2,658.87	600.18	-	-	6,770.01	7,370.19
Lease liabilities	121.51	43.58	45.57	54.13	-	143.28
Trade payables	72.18	72.18	-	-	-	72.18
Other financial liabilities	77.00	77.00	-	-	-	77.00
						-
Total financial liabilities		**792.94**	**45.57**	**54.13**	**6,770.01**	**7,662.65**

As at April 1, 2022	Carrying Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	2,057.90	164.54	-	-	6,770.01	6,934.55
Lease liabilities	84.32	28.48	29.78	41.69	-	99.94
Trade payables	30.01	30.01	-	-	-	30.01
Other financial liabilities	75.61	75.61	-	-	-	75.61
						-
Total financial liabilities		**298.64**	**29.78**	**41.69**	**6,770.01**	**7,140.11**

C. Market risk

Market risks comprises of:

i. Foreign exchange risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. There is no exposure of foreign currency and hence the management has assessed that there is no foreign currency risk during the year (Previous Year: Rs. Nil).

ii. Foreign exchange sensitivity

There are no foreign currency denominated financial instruments and hence management exposure of foreign currency and hence the management has assessed that there is no foreign exchange risk during the year (Previous Year: Rs. Nil).

iii. Interest rate risk

The company has outstanding Compulsary Convertible Debentures and Inter-corporate deposits as on reporting date. Interest rates on these instruments are at 10.50% and 12.50% respectively and company do not carry variable/floating rate instruments. Accordingly, interest rate exposure as on 31 March 2024 and 31 March 2023 is Nil.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

28 Capital Management

The company's objectives when managing the capital are to:
- safeguared their ability to continue as going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
Consistent with others in the industry, the company monitors capital on the basis of net debt (total borrowings and lease liabilities net of cash and cash equivalent).

The gearing ratios were as follows:

Particulars	31 March 2024	31 March 2023	01 April 2022
Borrowings	2,761.98	2,658.87	2,057.90
Lease liabilities	279.27	121.51	84.32
Less: Cash and Cash Equivalents	(182.74)	(112.25)	(112.12)
Less: Other Balance with bank (short term deposits)	(0.01)	(34.58)	(109.24)
Net Debt	**2,858.50**	**2,633.55**	**1,920.86**
Total equity	186.56	190.09	294.44
Net debt to equity ratio	**15.32**	**13.85**	**6.52**

29 Segment information

The Company is engaged in theHotel management business. The Board of Directors has appointed a strategic steering committee as Chief Operating Decision Maker ("CODM") which assesses the financial performance and position of the Company, and makes strategic decisions. The CODM of the Company examines the performance and make decisions for resource allocation. The CODM reviews these activities as one single segment to evaluate the overall performance of the Company operations. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability is as reflected in the financial statements.

The Company provides services to customers in India. Hence, statement for geographical information is not applicable.

Information about major customers:
The company has 63 % of total revenue (previous year: 59 %) from the fellow subsidiaries and related party. Refer Related party note 33 for more details.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

30 Contingent liabilities

There are no contingent liabilities as on 31 March 2024 (31 March 2023: Nil and 1 April 2022: Nil)

31 Commitments

Estimated amount of contracts remaining to be executed on account of property, plant and equipments and not provided for (net of capital advances) amounts to Rs Nil (31 March 2023: Nil and 1 April 2022: Nil).

32 Earnings per share

The number of equity shares used in computing Basic Earnings per share is the weighted average number of shares outstanding during the year.

	Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(Loss) for the year	**(152.14)**	**(110.89)**
	Weighted average number of equity shares (basic earnings per share)		
	Considered in calculation of Basic EPS (in millions)	36.79	36.79
	Considered in calculation of Diluted EPS (in millions)	36.79	36.79
	Face value per Equity Share (Rupees)	10	10
(a)	**Basic earnings per share**	(4.14)	(3.01)
(b)	**Diluted earnings per share ****	(4.14)	(3.01)
(c)	**Reconciliation of earnings used in calculating earnings per share**		
	Basic earnings per share		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share:	(152.14)	(110.89)
	Diluted earnings per share		
	Profit/ (Loss) attributable to the equity holders of the company:		
	Used in calculating basic earning per share	(152.14)	(110.89)
	Add: Finance cost saved on convertible debentures	233.35	202.37
	Less: Tax on finance cost saved on convertible debentures	-	-
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share:	81.21	91.48
(d)	**Weighted average number of shares used as the denominator**		
	Weighted average number of equity shares	1,09,44,597	1,09,44,597
	Adjustments for calculation of diluted earnings per share		
	Convertible debentures	2,58,48,000	2,58,48,000
	Weighted average number of equity shares *	3,67,92,597	3,67,92,597

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

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

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

(Rupees in millions)

33 Related party transactions

A Name of related parties

i List of related parties where control exists and relationships:

(i) Holding company
Project Ballet HMA Holdings (DIFC) Private Limited

(ii) Fellow subsidiaries
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
Moonburg Power Private Limited (w.e.f 29th March 2023)
Schloss Tadoba Private Limited (w.e.f. 16th August 2022)
Schloss Chanakya Private Limited
Equinox Business Parks Private Limited
Striton Properties Private Limited (Formely known as 'Mars Hotels & Resorts Private Limited')
Brookprop Property Management Services Pvt Ltd (Formerly known as 'Brookprop Management Services Pvt Ltd')
Cowrks India Private Limited

ii Key management personnel
Mr. Anuraag Bhatnagar, Whole-time Director and Chief Operating Officer
Mr. Ravi Shankar, Whole-time Director and Chief Financial Officer
Mrs. Jyoti Maheshwari, Company Secretary (upto 5th April 2023)

B Disclosure of transactions between the company and related parties and the status of outstanding balances as at the year end

Nature of Transaction	Name of related party	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Management and operating fees	Schloss Chanakya Private Limited	190.84	146.21
	Schloss Bangalore Private Limited	221.64	192.89
	Schloss Chennai Private Limited	135.39	107.71
	Schloss Udaipur Private Limited	64.09	62.04
	Tulsi Palace Resort Private Limited	118.41	115.93
	Striton Properties Private Limited (Formely known as Mars Hotels & Resorts Private Limited)	8.12	6.38
Cost reimbursement revenue - Reimbursement of expenses received from	Schloss Chanakya Private Limited	31.41	19.37
	Schloss Bangalore Private Limited	40.45	21.66
	Schloss Chennai Private Limited	36.11	20.78
	Schloss Udaipur Private Limited	37.47	20.21
	Schloss Gandhinagar Private Limited	1.39	0.83
	Leela Palaces and Resorts Limited	21.67	3.80
	Tulsi Palace Resort Private Limited	61.31	27.60
	Moonburg Power Private Limited	3.40	-
	Schloss Tadoba Private Limited	0.10	-
Inter corporate deposit Taken	Schloss Chanakya Private Limited	-	600.00
Interest expense on lease liability	Equinox Business Parks Private Limited	25.80	8.80
Principal payment of lease liability	Equinox Business Parks Private Limited	25.17	21.23
Rent expense	Equinox Business Parks Private Limited	3.56	3.82
	Cowrks India Private Limited	0.25	0.12
Security deposit paid	Equinox Business Parks Private Limited	22.40	4.12
	Cowrks India Private Limited	0.07	0.04
Security deposit refund received	Equinox Business Parks Private Limited	15.92	-
Interest income on security deposits	Equinox Business Parks Private Limited	2.70	1.09
Other expenses	Brookprop Property Management Services Pvt Ltd (Formerly known as 'Brookprop Management Services Pvt Ltd')	2.66	10.51
Advance management fees settled	Schloss Chennai Private Limited	-	46.34
	Schloss Udaipur Private Limited	-	71.84
Interest expense on advance from related party	Schloss Udaipur Private Limited	-	8.25
	Schloss Chennai Private Limited	-	3.67
Interest on advance management fees settled	Schloss Udaipur Private Limited	-	30.67
	Schloss Chennai Private Limited	-	27.73
Interest expense on inter corporate deposit	Schloss Chanakya Private Limited	75.21	0.21
Interest on 10.50% unsecured compulsorily convertible debentures	Project Ballet HMA Holdings (DIFC) Private Limited	233.35	202.37

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

Managerial renumeration*			
(short-term employee benefits)	Mr. Anuraag Bhatnagar	55.29	50.30
	Mr. Ravi Shankar	21.25	19.40
	Mrs. Jyoti Maheshwari	-	4.82

* Managerial renumeration 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.

C Outstanding Balances

	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Trade receivables**			
Schloss Chanakya Private Limited	200.59	126.37	66.96
Schloss Chennai Private Limited	184.74	73.05	-
Schloss Bangalore Private Limited	170.59	54.96	13.19
Schloss Udaipur Private Limited	100.30	1.91	-
Schloss Gandhinagar Private Limited	2.44	-	1.13
Leela Palaces and Resorts Limited	15.51	-	8.87
Tulsi Palace Resort Private Limited	68.19	26.75	17.17
Moonburg Power Private Limited	0.63	-	-
Schloss Tadoba Private Limited	0.11	-	-
Striton Properties Private Limited (Formely known as Mars Hotels & Resorts Private Limited)	2.74	-	0.32
Trade receivables - Unbilled			
Schloss Chanakya Private Limited	2.90	1.41	0.18
Schloss Bangalore Private Limited	1.89	1.34	0.20
Schloss Chennai Private Limited	1.78	1.24	0.09
Schloss Udaipur Private Limited	2.86	1.21	0.24
Schloss Gandhinagar Private Limited	-	1.96	-
Leela Palaces and Resorts Limited	0.00	12.67	-
Moonburg Power Private Limited	0.06	-	-
Tulsi Palace Resort Private Limited	5.33	-	-
Trade payables			
Equinox Business Parks Private Limited	0.96	-	0.02
Security deposits receivable			
Equinox Business Parks Private Limited	28.21	14.69	9.48
Cowrks India Private Limited	0.11	0.04	-
Lease liability			
Equinox Business Parks Private Limited	279.27	121.51	84.32
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
Other receivables from related Party			
Leela Palaces and Resorts Limited	20.96	-	-
Financial Liability component of 10.50% unsecured compulsorily convertible debentures			
Project Ballet HMA Holdings (DIFC) Private Limited	2,094.11	2,058.69	1,893.36
Equity component of 10.50% unsecured compulsorily convertible debentures			
Project Ballet HMA Holdings (DIFC) Private Limited	1,070.70	1,070.70	1,070.70
Interest on advance in the nature of loan from related parties			
Schloss Udaipur Private Limited	-	-	22.42
Schloss Chennai Private Limited	-	-	24.05
Inter corporate deposit Taken (including interest)			
Schloss Chanakya Private Limited	667.87	600.18	-

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

D Corporate Guarantee

Company has given corporate guarantee and created charge over its total assets for the term loan facility to the four fellow subsidiaries 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). The company has measured the finance guarantee obligation on the date of transition and on subsequent reporting period the value of the same is not material to financial statements.

E Names of related parties where control exists

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

F Terms and conditions

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

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

34 **First time adoption of Ind AS**

Transition to Ind AS
These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2024, the comparative information presented in these financial statements for the year ended March 31, 2023 and in the preparation of an opening Ind AS balance sheet at April 1, 2022 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2021 (as amended) and other relevant provisions of the Act ("previous GAAP"). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed
In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2022 and the financial statements as at and for the year ended March 31, 2023.

A.1 Ind AS optional exemptions
Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous IGAAP to Ind AS.

A. 1. 1. Fair value as deemed cost exemption
Ind AS 101 permits a first-time adopter to elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their fair value as on the transition date.

A.1.2 Business combinations
The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2022, pursuant to which goodwill arising from a business combination has been stated at the carrying amount prior to the date of transition under previous GAAP.

A.1.2 Leases
An entity has to assess whether a contract or arrangement contains a lease as per Ind AS 116. As a first time adopter, entity has an option to make this assessment on the basis of facts and circumstances existing at the date of transition as per Ind AS 101. The Company has elected to apply this exemption for such contracts/arrangements.

Under Ind AS 101 an entity can elect not to apply the requirement to create a right of use asset and lease liability as on the date of transition with respect to the leases for which the lease term ends within 12 months of the date of transition. The Company has opted to apply this practical exemption and has not recognized a right of use asset and a corresponding lease liability in respect of leases where the lease term ends within 12 months from the date of transition.

In cases where the lease term ends beyond a period of 12 months from the date of transition, the Company has applied modified retrospective approach and measured its lease liability at the present value of the remaining lease payments discounted using the Company's incremental borrowing rate at the date of transition to Ind AS. Further, the right-to-use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

A.1.3 Revenue form contract with customers
A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

As a first time adopter of Ind AS, the Company has decided to use the above exemption.

A.2 Ind AS mandatory exceptions
The Company has applied the following exceptions from full retrospective application of Ind AS which are mandatorily required under Ind AS 101:

A.2.1 Estimates
The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model;
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the company has applied the above assessment based on facts and circumstances existing at the transition date.

A.2.3 Impairment of financial assets
Application of the impairment requirements of Ind AS 109 retrospectively.
The Company has applied impairment requirements of Ind AS 9 retrospectively using reasonable and supportable information to determine the credit risk at the date when the financial instruments were initially recognised, and to compare that to the credit risk at the date of transition to Ind AS standards. Requirements under Ind AS 109 for impairment are applied against trade receivables.

B: Reconciliations between previous GAAP and Ind AS
The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".
(a) Reconciliation of total equity as at April 1, 2022 and March 31, 2023.
(b) Reconciliation of total comprehensive income for the year ended March 31, 2023.
(c) Reconciliation of consolidated statement of cash flows for the year ended March 31, 2023.
Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

North C Wing, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

Reconciliation of total equity as at March 31, 2023 and April 1, 2022 between Previous GAAP and Ind AS

Particulars	Note	As at March 31, 2023	As at April 01, 2022
Total equity under previous GAAP		(1,014.38)	(635.74)
Ind AS adjustments:			
- Impact of finance cost on compound financial instrument	1	(47.81)	(141.78)
- Equity Component of compound financial instrument	1	1,070.70	1,070.70
- Lease liability	2	21.22	-
- Impact of Actuarial gains and lossess reclassified TO OCI		-	-
- Impact of right of use assets	2	(29.24)	-
- Fair valuation of security deposit liabilities and assets	3	1.09	-
- Reversal of amortisation of goodwill	4	187.44	-
- Financial guarantee obligations	5	-	-
- Fair valuation of property, plant and equipment	5	1.26	1.26
- Depreciation on fair valued Property, Plant and Equipment	5	(0.12)	-
- Impact of Deferred tax impact on adjustments	8	-	-
- Remeasurements of Post Employment Benefit Obligations	6	-	-
Total equity under Ind AS		**190.16**	**294.44**

Reconciliation of total comprehensive income as at March 31, 2023 and April 1, 2022

Particulars	Note	For the Year ended March 31, 2023
Loss after tax under previous GAAP		**(378.64)**
Ind AS adjustments:		
- Impact of finance cost on compound financial instrument	1	93.97
- Impact of interest on lease liabilities	2	(8.80)
- Impact of lease rentals charged to the statement of profit or loss now reversed	2	30.02
- Impact of depreciation cost on right of use of asset	2	(29.44)
- Interest income on security deposit	3	1.09
- Impact of reversal of amortisation of goodwill	4	187.44
- Finance guarantee obligation income (net)	5	-
- Depreciation on fair valued property, plant and equipment	5	(0.12)
- Remeasurements of post-employment benefit obligations	6	(6.54)
- Impact of reversal of initial direct cost on right to use assts	2	0.20
- Deferred tax impact on adjustments	8	-
Total Adjustments		**267.82**
Loss after tax as per Ind AS		**(110.82)**
Other comprehensive income		
Remeasurements of post employment benefit obligations (net)		6.54
Total comprehensive loss under Ind AS		**(104.28)**

Impact of Ind AS adoption on the statement of cash flows for the year ended March 31, 2023:

Particulars	Previous GAAP	Adjustments *	Ind AS
Net cash flows from operating activities	(622.08)	145.77	(476.31)
Net cash flows from investing activities	80.41	2.53	82.94
Net cash flows from financing activities	541.79	(148.30)	393.49
Net increase/(decrease) in cash and cash equivalents	**0.12**	**0.00**	**0.12**

*Adjustments are on account of reclassification of advance management fees from operating activities to financing activities.

C: Notes to first-time adoption:

1 Compulsary Convertible Debentures

Under Ind AS on initial recognition, the issuer of a compound instrument first measures the liability component at its fair value. The equity component is measured as the residual amount that results from deducting the fair value of the liability component from the initial carrying amount of the instrument as a whole. As a result of this classification guidance under Ind AS the compulsorily convertible debentures (CCDs) issued by the Company were earlier classified as borrowings under previous GAAP are now classified as compound financial instruments resulting in decrease of borrowings by Rs. 1,070.70 million with the corresponding increase in other equity as at April 1, 2022. For the liability component valued at fair value initially, finance charge is booked over the term of the CCDs at rate of similar financial instrument without the conversion option (10.5%) and interest at coupon rate booked under previous GAAP would be derecognised resulted in decrease of retained earning at April 1, 2022 by Rs. 147.78 million. For the year ended March 31, 2023 net interest cost was charged on the liability component resulting in increase in loss for the year ended March 31, 2023 by Rs. 47.81 million.

2 Recognition of right of use assets and lease liability

As per Ind-AS 116, the Company recognised a lease liability and right-of-use asset for all contracts that are or contain a lease unless the lease contract pertain to short-term leases or leases for which the underlying asset is of low value. The lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at April 1, 2022. Further, the right-to-use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS. The weighted average lessee's incremental borrowing rate applied to lease liabilities as on 1 April 2022 was 10.50%.

The Company has recognised a lease liability and right-of-use assets of (after adjusting the pre-existing lease liabilities in respect of leases where the company is a lessee) as at the transition date having a net impact on retained earnings of Rs. 8.02 millions at 31 March 2023.

This has resulted in a increase in the loss for the year ended 31 March 2023 by Rs. 8.22 millions due to depreciation of right of use asset and interest expense on lease liabilities.

SR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

(Rupees in millions)

3 Fair valuation of security deposit assets and liabilities

Under Previous GAAP, security deposit assets and liabilities (that are refundable in cash on completion of the lease term) were recognised at their transaction value. Under Ind AS, all the interest free financial assets and liabilities to be recognised at the fair value. Accordingly, the Company has fair valued these security deposits under Ind AS.

Difference between the fair value and transaction value of the deposits has been recoginised as right of use assets in case of security deposits given. Consequent to this change, the amount of security deposits given decreased by Rs. 3.74 millions as at April 1, 2022 with the corresponding impact to right of use assets. The loss for the year as at March 31, 2023 decreased by Rs. 1.01 million due to the notional interest income recognised on security deposits.

4 Amortisation of goodwill

Goodwill is recognised at net carrying amount as per the previous GAAP as on the transition date. Under previous GAAP, the goodwill was amortised over the period whereas under Ind AS the goodwill is not amortised but tested for impairment. Accordingly, the amortisation of goodwill for the year ended March 31, 2023 was reversed to arrive at the net carrying amount as on transition date resulting into decrease in loss resulting into decrease in loss for the year by Rs. 187.44 millions with corresponding impact on retained earnings.

5 Fair value of property, plant and equipments

On the date of transition to Ind AS, the Company has elected to measure certain items of property, plant and equipment at fair value and use that fair value as its deemed cost. The aggregate impact of fair values of such property, plant and equipment has increased the total equity by Rs. 1.26 millions as at April 1, 2022. Consequently, depreciation relating to the above differences in the cost of property, plant and equipment under Ind AS and previous GAAP has also been adjusted in the profit and loss statement for March 2023 of Rs. 0.12 in million.

6 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts already included in the net previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2023 decreased by Rs. 6.54 millions with corresponding decrease in other comprehensive income. There is no impact on the total equity as at March 31, 2023.

7 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

8 Deferred tax on adjustments

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focused on differences between taxable profits and accounting profits for the period whereas in Ind AS 12 balance sheet approach required to be followed, which focuses on temporary differences between carrying amount of an asset or liability in the balance sheet and its tax base. This resulted in recognition of deferred tax on new temporary differences which was not required in previous GAAP.

However, the Company has recognised deferred tax assets for deductible temporary differences to the extent that there are sufficient suitable deferred tax liabilities available resulting into non recognition of deferred tax impact on Ind AS transition.

9 Retained earnings

Retained earnings as at April 1, 2022 has been adjusted consequent to the above Ind AS transition adjustments.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

35 Ratio Analysis

Ratio Analysis	Numerator	Denominator	31st March 2024	31st March 2023	% Change	Remarks
Current Ratio	Current Assets	Current liabilities	1.37	0.91	50%	Improvement in current ratio is due to inecrease in trade receivable in the current year.
Debt Equity Ratio	Non - Current Borrowings + Current Borrowings	Total Equity	14.80	13.99	6%	NA
Debt Service Coverage Ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt	1.67	2.11	-21%	NA
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	-0.81	-0.46	76%	Return on equity ratio decreases due increase in loss during the year. Employee benefit expense has incerease during the current year.
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	1.87	2.64	29%	Decrease in Trade Receivables turnover ratio is primarily on account of increase in average trade receivable of current year in comparison to previous year.
Trade Payables Turnover Ratio	Other Expenses	Average Trade Payables	6.65	6.55	2%	NA
Net Capital Turnover Ratio	Net Sales	Average Working Capital i.e. Average Current Assets - Average Current Liabilities	10.72	8.08	33%	Net capital turnover ration has incerease on account of incerease in sales during the year.
Net Profit Ratio	Net Profit after tax	Net Sales	-0.10	-0.09	12%	Decrease in net profit ratio is on account of increase in loss for the current year in comparison to previous year.
Return on Capital employed	EBIT	Capital Employed	0.03	0.02	52%	Improvement in return on capital employed is primarily on account of increase in EBIT of current year in comparison to previous year.

* 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. Return on investments: since the Company does not holds any funds/investment

36 Other regulatory information required by Schedule III

a) **Details of benami property held:**
No proceedings have been intiated on are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

b) **Borrowings secured against current assets:**
The Company does not have borrowings from banks and financial institutions. Hence, this disclosure is not applicable to the company.

c) **Wilful defaulter:**
The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

d) **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.

e) **Compliance with number of layers of companies:**
The Company does not have any investment in companies, hence the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules 2017 is not applicable to the Company.

f) **Compliance with approved scheme of arrangements:**
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g) **Utilisation of borrowed funds and share premium:**
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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:
(i) 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
(ii) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

SCHLOSS HMA PRIVATE LIMITED

SCHLOSS HMA PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2024 (Cont...)

h) **Undisclosed Income:**
There are no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i) **Details of crypto currency or virtual currency:**
The Company has not traded or invested in crypto currency or virtual currency during the current year or previous year.

j) **Valuation of PP&E, right-of-use assets and intangible assets:**
The Company has not revalued its property, plant and equipment (including rights-of-use assets) or intangible assets or both during the current or previous year.

k) **Title Deeds of immoveable properties:**
The Company does not have any immoveable property (other than immovable properties where the Company is lessee and leases agreements are duly executed in favour of lessee as disclosed in **Note 5** to the financial statements), accrodingly, this disclosure is not applicable.

l) **Registration of Charges or satisfaction with Registrar of Companies:**
There are no charges or satisaction of which are yet to be registered with the Registrar of Companies beyond the statutory period.

m) **Utilisation of borrowings availed from banks and financial institutions:**
No borrowings obtained by the Company from bank or financial institutions, hence this disclosure is not applicable.

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

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

J.H.Sheth

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 18 June 2024

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

Anuraag Bhatnagar
Whole time Director
DIN: 07967035

Place: Mumbai
Date: 18 June 2024

Ravi Shankar
Whole time Director
DIN: 07967039

Place: Mumbai
Date: 18 June 2024

Perila Bhupendra Sheth
Company Secretary
Membership No. A29468

Place: Mumbai
Date: 18 June 2024

SCHLOSS HMA PRIVATE LIMITED