

Thalappakatti Hotels Private Limited

Standalone Financial statements and Independent auditors' report

Financial Year Ended 31 March 2026

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Thalappakatti Hotels Private Limited**Standalone Balance Sheet as at 31 March 2026**

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	Notes	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	671.73	587.92	568.17
(b) Capital work-in-progress	4	3.04	9.91	7.65
(c) Intangible assets	5	18.54	9.81	10.99
(d) Right of use assets	6	999.97	1,007.84	962.41
(e) Financial assets				
(i) Investments	7	137.38	115.34	119.01
(ii) Other financial assets	8	169.38	193.98	176.78
(f) Non-current tax assets	9	17.73	10.56	12.10
(g) Deferred tax assets (net)	10	134.27	165.50	209.79
(h) Other non-current assets	11	14.16	36.44	9.24
		2,166.19	2,137.30	2,076.14
Current assets				
(a) Inventories	12	60.91	54.54	42.77
(b) Financial assets				
(i) Trade receivables	13	7.06	23.37	20.66
(ii) Cash and cash equivalents	14	15.19	21.26	26.32
(iii) Bank balances other than (ii) above	15	246.76	177.22	190.60
(iv) Other financial assets	16	96.92	104.61	54.79
(c) Other current assets	17	45.76	35.37	24.01
		472.59	416.37	359.15
TOTAL ASSETS		2,638.79	2,553.67	2,435.29
II. EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	18	99.34	99.34	99.34
(b) Other equity	19	706.33	570.54	553.56
		805.67	669.88	652.90
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	6.14	37.79	72.84
(ii) Lease liabilities	21	869.61	842.29	757.47
(iii) Other financial liabilities	22	-	-	2.50
(b) Provisions	23	36.60	25.28	18.46
		912.36	905.36	851.27
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	169.11	261.11	334.44
(ii) Lease liabilities	25	196.49	176.41	153.64
(iii) Trade payables	26			
(a) Total outstanding dues of micro enterprises and small enterprises		61.24	66.79	32.77
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		270.90	273.47	255.03
(iv) Other financial liabilities	27	159.46	151.43	105.88
(b) Other current liabilities	28	36.15	33.76	29.85
(c) Provisions	29	27.42	15.46	19.51
		920.77	978.43	931.12
TOTAL EQUITY AND LIABILITIES		2,638.79	2,553.67	2,435.29

Summary of material accounting policies and other explanatory information

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The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of Thalappakatti Hotels
Private Limited**Nishant Choudhary**

Partner

Membership No: 294140

Bengaluru

XX September 2026

Tarun Khanna

Director

DIN: 02306480

Delhi

XX September 2026

Nagasamy Dhanabalan

Managing Director

DIN: 03299013

Chennai

XX September 2026

Thalappakatti Hotels Private Limited**Standalone Statement of Profit and Loss for the year ended 31 March 2026**

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	Notes	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	30	4,954.59	4,061.67
Other income	31	73.24	60.39
Total income		5,027.83	4,122.06
Expenses			
Cost of materials consumed	32	2,029.95	1,721.32
Changes in inventories of work-in-progress	33	1.36	(4.48)
Employee benefits expense	34	965.15	859.37
Finance costs	35	138.77	140.88
Depreciation and amortisation expense	36	406.87	375.14
Other expenses	37	1,294.66	976.27
Total expenses		4,836.77	4,068.50
Profit before exceptional item and tax		191.06	53.56
Exceptional item		11.14	-
Profit before tax		179.92	53.56
Tax expense / (credit)	38		
(a) Current tax		22.28	-
(b) Deferred tax credit		33.10	44.95
		55.37	44.95
Profit for the year		124.55	8.61
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
(i) Re-measurement of defined benefit liabilities		7.41	2.61
(ii) Income tax relating to items that will not be reclassified to profit or loss	38	(1.87)	(0.66)
Total other comprehensive income for the year (net of tax)		5.54	1.95
Total comprehensive income for the year		130.09	10.56
Earnings Per Share of nominal value of ₹10 each			
Basic and diluted	39	1.25	0.09
Summary of material accounting policies and other explanatory information	2		

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of Thalappakatti Hotels Private Limited

Nishant Choudhary

Partner

Membership No: 294140

Bengaluru

XX September 2026

Tarun Khanna

Director

DIN: 02306480

Delhi

XX September 2026

Nagasamy Dhanabalan

Managing Director

DIN: 03299013

Chennai

XX September 2026

Thalappakatti Hotels Private Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2026

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

				Amount	
A	Share capital				
i)	Equity shares of ₹ 10 each, fully paid-up				
	Balance as at 01 April 2024			99.34	
	Add: Issued and subscribed during the year			-	
	Balance as at 31 March 2025			99.34	
	Add: Issued and subscribed during the year			-	
	Balance as at 31 March 2026			99.34	
		Securities Premium	Retained earnings	Share based payments reserve	Total
B	Other equity				
	Balance as at 01 April 2024	1,255.51	(740.00)	38.05	553.56
	Profit for the year	-	8.61	-	8.61
	Reserves taken on account of merger	-	-	-	-
	Re-measurement gains on defined benefit plans (net of tax)	-	1.95	-	1.95
	Stock option granted during the year (refer note 33)	-	-	6.42	6.42
	Balance as at 31 March 2025	1,255.51	(729.44)	44.47	570.54
	Profit for the year	-	124.55	-	124.55
	Re-measurement gains on defined benefit plans (net of tax)	-	5.54	-	5.54
	Stock option granted during the year	-	-	5.69	5.69
	Balance as at 31 March 2026	1,255.51	(599.34)	50.16	706.33

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of Thalappakatti Hotels Private Limited

Nishant Choudhary

Partner

Membership No: 294140

Bengaluru

XX September 2026

Tarun Khanna

Director

DIN: 02306480

Delhi

XX September 2026

Nagasamy Dhanabalan

Managing Director

DIN: 03299013

Chennai

XX September 2026

Thalappakatti Hotels Private Limited

Standalone Cash Flow Statement for the year ended 31 March 2026

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
I Cash flow from operating activities		
Profit / (Loss) before tax	179.92	53.56
<i>Adjustments:</i>		
Depreciation and amortisation expense	406.87	375.14
Loss/(Profit) on sale of property, plant and equipment	0.97	(1.09)
Employee stock option compensation cost	5.69	6.42
Interest income on bank deposits	(17.72)	(15.56)
Interest income earned on financial assets that are not designated at FVTPL	(15.80)	(17.10)
Finance costs	138.77	140.88
Dividend income	(24.74)	-
Gain on lease modification	(0.47)	(0.33)
Gain on foreign currency transactions	(3.50)	(4.49)
Liabilities no longer required written back	(9.21)	(18.50)
Operating profit before changes in working capital	660.79	518.93
Movements in working capital		
Changes in inventories	(6.37)	11.77
Changes in trade receivables	16.31	2.71
Changes in other current and non-current assets	5.15	(38.56)
Changes in other current and non-current financial assets	5.81	66.98
Changes in other current and non-current liabilities	2.39	3.91
Changes in trade payables	1.09	52.46
Changes in provisions	15.87	2.39
Changes in other current and non-current financial liabilities	20.78	43.05
Cash generated from operations	721.83	663.64
Income tax (paid) / refund received, net	(31.31)	(0.88)
Net cash flow generated from operating activities (A)	690.52	662.75
II Cash flow from investing activities		
Payment made for acquisition of Property, plant and equipments, intangibles assets and capital work-in-progr	(241.95)	(152.09)
Proceeds from sale of property, plant and equipment	6.12	1.09
(Increase)/decrease in fixed deposit accounts, net	(43.34)	-
Interest received	17.99	15.52
Net cash flow used in investing activities (B)	(258.47)	(135.48)
III Cash flow from financing activities		
Repayment of long term borrowings	(72.10)	(35.05)
Proceeds from long term borrowings	8.97	-
Repayment of short term borrowings	-	(73.33)
Payment of lease liabilities (principal)	(175.16)	(258.29)
Payment of lease liabilities (interest)	(112.49)	(102.15)
Interest paid	(26.83)	(39.12)
Net cash flow used in from financing activities (C)	(377.61)	(507.94)
Net increase in cash and cash equivalents (A + B + C)	54.45	19.34
Cash and cash equivalents at the beginning of the year	(204.87)	(224.21)
Cash and cash equivalents at the end of the year	(150.42)	(204.87)

Thalappakatti Hotels Private Limited

Standalone Cash Flow Statement for the year ended 31 March 2026 (Cont'd)

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
Components of cash and cash equivalents		
Cash in hand	2.47	7.81
Balances with banks		
- In current accounts	11.11	12.48
- Others(wallet balance)	1.61	0.97
Total Cash and cash equivalents (Refer Note 21)	15.19	21.26
Bank overdrafts for cash management purposes	(165.61)	(226.13)
Cash and cash equivalents in the statement of cash flows	(150.42)	(204.87)

The accompanying notes form an integral part of the standalone financial statements.

This is the Standalone Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of Thalappakatti Hotels Private Limited

Hemant Maheshwari
Partner
Membership No.: 096537

Bengaluru
XX September 2026

Tarun Khanna
Director
DIN: 02306480

Delhi
XX September 2026

Nagasamy Dhanabalan
Managing Director
DIN: 03299013

Chennai
XX September 2026

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

1 Background

Thalappakatti Hotels Private Limited ("the Company") is a Private Company and domiciled in India. The Company was incorporated in 1998. The Company is predominantly engaged in the business of running restaurants at various locations of Tamil Nadu, Pondicherry and Karnataka. The Company also operates restaurants overseas through its portfolio companies. The Company's registered office is situated in Old No. 18A, New Door No. 17 Flat No. B3, 11th Street, Nandanam Extension, Chennai, Chennai, Tamil Nadu, India, 600035. CIN of the Company is U55101TN1998PTC101352.

2 Summary of material accounting policies

(a) Basis of preparation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('IndAS'). Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2025, and a summary of material accounting policies and other explanatory information (together hereinafter referred to as 'financial statements'). The standalone financial statements have been prepared using the material accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial statements have been prepared on the historical cost basis except for employee benefit liabilities and certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(b) Statement of Compliance with Ind AS

The Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Ind AS prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

For all periods upto and including the year ended 31 March 2024, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards Rules, 2021('PreviousGAAP'). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 01 April 2024.

Refer Note 45 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition. The Standalone Financial Statements were authorised for issue by the Company's Board of Directors on XX September 2026.

(c) Current / non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

(d) Use of estimates

The preparation of standalone financial statements in conformity with Ind AS requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the standalone financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Any revision to accounting estimates are recognised prospectively. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of tangible assets, provision for employee benefits, provision for taxation, provision for doubtful debts and advances and inventories (provision for non-saleable stocks).

(e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its previous GAAP standalone financial statements as deemed cost at the transition date, viz., 01 April 2024. Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land) and impairment losses. The cost comprises purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, net of refundable taxes. Any trade discounts, rebates and government grants received are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of Property, plant and equipment outstanding at each Balance Sheet date are disclosed as 'Capital advances' under long term loans and advances. The cost incurred towards Property, plant and equipment, but not ready for their intended use before each Balance Sheet date is disclosed as capital work-in-progress, if any.

Gains or losses arising from derecognition of Property, plant and equipment are 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.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

2 Summary of material accounting policies (Cont'd)

(f) Depreciation

Depreciation is provided on straight-line method over the useful lives estimated by the management. Depreciation for assets purchased or sold during a period is proportionately charged to the Statement of Profit and Loss.

Management's estimate of the useful lives for the various categories of fixed assets are as follows:

Asset Category	Useful life (years)*
Building	9
Plant and machinery	7
Vehicles	5
Computer and accessories (Including Servers)	3 - 5
Furniture and fittings	7

* Based on an internal assessment, the management believes that the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

Leasehold improvements are amortized over the lease term or the useful life of the asset, whichever is shorter.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(g) Intangible assets and amortisation

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP standalone financial statements as deemed cost at the transition date, viz., 01 April 2024. Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including directly attributable costs of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their economic life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets are amortized over a period of 5 years.

(h) Revenue recognition

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

(a) Revenue from sale of food and beverages (F&B)

Revenue from sale of food and beverages are recognized on transfer of control of the product to the buyer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products, which is usually when the food and beverages are served to the customer. Revenue is exclusive of GST and discounts.

(b) Revenue from sale of masala items

Revenue from sale of masala items are recognized on transfer of control of the product to the buyer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products, which is usually when the masala items are delivered to the customer. Revenue is exclusive of GST and discounts.

(c) Revenue from License fees

Revenue from sale of license fees are recognized when services are rendered and relevant costs are incurred, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the service provided.

(d) Other income

The share of profit in LLP is recognised as income in the standalone statement of profit and loss as and when the same is credited/debited to the Partners' Capital Account in the books of LLP.

'Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other Income" in the standalone statement of profit and loss.

(i) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value.

Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

2 Summary of material accounting policies (Cont'd)

(j) Employee benefits

Short-term employee benefit:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries and allowances, bonuses etc. and are recognised as expenses in the standalone statement of profit and loss in the period in which the employee renders the related service.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

Gratuity

The liability recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period determined based on actuarial valuation at the Balance Sheet date. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated Absences

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees upto the end of the reporting period. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company presents the entire leave as a current liability since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to Statement of Profit and Loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Employee stock option compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Ind AS 102. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortized over the vesting period of the option on a graded vesting basis.

(k) Foreign currency transactions and translations

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the value was determined

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous standalone financial statements, are recognized as income or as expense in the year in which they arise.

(l) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or cash-generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

2 Summary of material accounting policies (Cont'd)

(m) Impairment of financial assets

In accordance with Ind-AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised costs.

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from Contracts with Customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months' ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve months' ECL.

The Company recognises impairment loss on receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(n) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use (ROU) asset and a corresponding lease liability at the lease commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities 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 on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option, or if there is a revised in-substance fixed lease payment.

In such situations, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company applies the short-term lease recognition exemption to its short-term leases, i.e., leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Company also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

2 Summary of material accounting policies (Cont'd)

(p) Financial instruments

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Standalone Statement of Profit and Loss), and
- those measured at amortised cost.

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

Initial recognition

The Company recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognised at fair value on initial recognition. Trade receivables are measured at their transaction price, if the trade receivables do not contain a significant financing component in accordance with Ind AS 115. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. Regular way purchase and sale of financial assets are accounted for at trade date. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
- Equity investments

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, 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 or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt 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'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv. Equity instruments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies 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 makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, 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 profit and loss, 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 Statement of Profit and Loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- 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; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. 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 basis that reflects 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.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

2 Summary of material accounting policies (Cont'd)

(p) Financial instruments (Cont'd)

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.

Financial liabilities

Initial recognition and measurement

The Company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

Amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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.

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.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

(q) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(r) Earnings/ (loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company (after adjusting for interest on the convertible financial instruments, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume potential ordinary shares that would have an antidilutive effect on earnings per share.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

2 Summary of material accounting policies (Cont'd)

(s) Business combination

Common control business combination where the Company is transferee is accounted using the pooling of interest method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor company. The excess between the amount of consideration paid over the share capital of the transferor company is adjusted against retained earnings.

(t) Taxes on income

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is 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.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(u) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and cheques on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(v) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of assets. Other borrowing cost are recognised as an expense in the period in which they are incurred.

(w) Provisions and contingent liabilities

Provisions

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liabilities

Contingent assets are not recognised in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

2 Summary of material accounting policies (Cont'd)

(x) Onerous Contracts

Provisions for onerous contracts, i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contract is considered to be onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with the contract.

(y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision maker. The Company is engaged in the business of running restaurants which constitutes its single reportable segment.

2C Recent accounting pronouncements

New amendments issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements (classification of liabilities as current or non current, including liabilities with covenants), Ind AS 12 – Income Taxes (International Tax Reform – Pillar Two Model Rules), Ind AS 21 – The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability), and Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (Supplier Finance Arrangements), effective from 1 April 2025. The Company has reviewed these amendments and based on its evaluation, has determined that they do not have any impact on the Company's financial statements.

New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1- The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non current and require retrospective application in accordance with Ind AS 8. These amendments are effective for reporting periods beginning on or after April 1, 2026. The Company does not expect any material impact on its financial statements.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

3 Property, plant and equipment

	Leasehold improvements	Plant and machinery	Furniture and fittings	Vehicles	Computer and accessories	Total
Gross block						
Balance as at 01 April 2024 (refer note a)	243.88	205.42	81.21	20.66	17.00	568.17
Additions	60.82	54.79	26.78	11.78	6.89	161.06
Disposals / adjustments	(2.42)	(8.24)	(1.85)	(5.39)	(1.59)	(19.49)
Balance as at 31 March 2025	302.28	251.97	106.14	27.05	22.30	709.74
Additions	75.03	101.52	34.59	26.15	9.84	247.14
Disposals / adjustments	(12.46)	(10.56)	(6.08)	(14.07)	(0.35)	(43.52)
Balance as at 31 March 2026	364.85	342.93	134.65	39.13	31.79	913.36
Accumulated depreciation						
Balance as at 01 April 2024 (refer note a)	-	-	-	-	-	-
Charge for the year	49.43	52.92	21.31	6.69	11.10	141.45
Reversal on disposal of assets	(3.50)	(7.35)	(2.05)	(5.12)	(1.61)	(19.63)
Balance as at 31 March 2025	45.93	45.57	19.26	1.57	9.49	121.82
Charge for the year	57.27	60.40	22.27	10.24	6.07	156.24
Reversal on disposal of assets	(11.16)	(8.29)	(4.38)	(12.25)	(0.36)	(36.44)
Balance as at 31 March 2026	92.04	97.68	37.14	(0.44)	15.20	241.63
Net block						
Balance as at 01 April 2024	243.88	205.42	81.21	20.66	17.00	568.17
Balance as at 31 March 2025	256.35	206.40	86.88	25.48	12.81	587.92
Balance as at 31 March 2026	272.81	245.25	97.51	39.58	16.59	671.73

Note:

a Deemed carrying cost

For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2024, the Company has used previous GAAP carrying value as deemed costs. Refer note 34.

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Opening balance	9.91	7.65	-
Add: Additions during the year	3.04	9.91	7.65
Less: Capitalised during the year	(9.91)	(7.65)	-
	<u>3.04</u>	<u>9.91</u>	<u>7.65</u>

4 Capital work-in-progress

Opening balance	9.91	7.65	-
Add: Additions during the year	3.04	9.91	7.65
Less: Capitalised during the year	(9.91)	(7.65)	-
	<u>3.04</u>	<u>9.91</u>	<u>7.65</u>

Capital work-in-progress ageing schedule

	Amount in capital work-in-progress for a period of				
	< 1 year	1-2 years	2-3 years	>3 years	Total
As at 31 March 2026					
Projects in progress	3.04	-	-	-	3.04
	<u>3.04</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3.04</u>
As at 31 March 2025					
Projects in progress	9.91	-	-	-	9.91
	<u>9.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9.91</u>
As at 01 April 2024					
Projects in progress	7.65	-	-	-	7.65
	<u>7.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7.65</u>

Notes:

- There are no projects that are overdue its completion as on 01 April 2024, 31 March 2025 and 31 March 2026.
- There are no projects that have been suspended as on 01 April 2024, 31 March 2025 and 31 March 2026.

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

5 Intangible assets

	Softwares	Total
Gross block		
Balance as at 01 April 2024 (refer note a)	10.99	10.99
Additions	1.96	1.96
Disposals / Adjustments	(0.08)	(0.08)
Balance as at 31 March 2025	12.87	12.87
Additions	11.95	11.95
Disposals / Adjustments	(0.06)	(0.06)
Balance as at 31 March 2026	24.76	24.76
Accumulated amortisation		
Balance as at 01 April 2024 (refer note a)	-	-
Charge for the year	3.14	3.14
Disposals/ Adjustments	(0.08)	(0.08)
Balance as at 31 March 2025	3.06	3.06
Charge for the year	3.22	3.22
Disposals/ Adjustments	(0.06)	(0.06)
Balance as at 31 March 2026	6.22	6.22
Net block		
Balance as at 01 April 2024	10.99	10.99
Balance as at 31 March 2025	9.81	9.81
Balance as at 31 March 2026	18.54	18.54

Note:

a Deemed carrying cost

For intangible assets existing as on the date of transition to Ind AS, i.e., 01 April 2024, the Group has used previous GAAP carrying value as deemed costs. Refer note 34.

6 Right-of-use assets

	Buildings	Total
Gross block		
Balance as at 01 April 2024	962.41	962.41
Additions	228.44	228.44
Disposals / Adjustments	49.65	49.65
Balance as at 31 March 2025	1,240.50	1,240.50
Additions	243.74	243.74
Disposals / Adjustments	(4.19)	(4.19)
Balance as at 31 March 2026	1,480.05	1,480.05
Accumulated depreciation - ROU		
Balance as at 01 April 2024	-	-
Charge for the year	232.66	232.66
Disposals/ Adjustments	-	-
Balance as at 31 March 2025	232.66	232.66
Charge for the year	247.42	247.42
Disposals/ Adjustments	-	-
Balance as at 31 March 2026	480.08	480.08
Net block		
Balance as at 01 April 2024	962.41	962.41
Balance as at 31 March 2025	1,007.84	1,007.84
Balance as at 31 March 2026	999.97	999.97

Note:

1 For further details, also refer Note XX

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
7 Non-current investments			
Investment in equity instruments of subsidiaries (unquoted)			
Thalappakatti Holdings US Inc, United States of America 2,500 (31 March 2025 : 2,500 and 01 April 2024 : 2,500) equity shares of \$10	1.72	1.72	1.72
Thalappakatti Singapore Holdings Pte. Ltd., Singapore 2,00,000 (31 March 2025 : 2,00,000 and 01 April 2024 : 2,00,000) equity shares of SGD 1	10.24	10.24	10.24
Heritage Restaurants and Hospitality LLC, UAE (Refer Note 1 below) 153 (31 March 2025 : 153 and 01 April 2024 : Nil) equity shares having face value of AED 1000	2.76	2.76	2.76
In Masala Masters International - France (Refer Note 2 below) 2,550 (31 March 2025 : 2,550 and 01 April 2024 : Nil) shares having face value of Euro 1/- each, fully paid up	-	0.18	0.18
Less: Provision for diminution in the value of investments	-	(0.18)	(0.18)
Equity Share with Thalappakatti Restaurants US Inc 100,000 shares having face value of USD 1	9.39	-	-
Equity Shares –Thalappakatti Restaurants L.L.C -Dubai 100,000 shares having face value of AED 1	2.53		
Deemed investment in equity instruments of subsidiaries			
Thalappakatti Singapore Holdings Pte. Ltd., Singapore 1,166,000 (31 March 2025 : 1,166,000 and 01 April 2024 : 1,366,000) 1% optionally convertible preference shares of SGD 1	69.97	37.76	37.76
Investment in preference instruments of subsidiaries (unquoted)			
Thalappakatti Singapore Holdings Pte. Ltd., Singapore 1,166,000 (31 March 2025 : 1,166,000 and 01 April 2024 : 1,366,000) 1% optionally convertible preference shares of SGD 1	36.48	58.58	62.24
Investment in Gold (unquoted)	0.31	0.31	0.31
Investment in equity instruments of associates (unquoted)			
Deccan Arromas SDN. BHD., Malaysia (Refer note below)	3.97	3.97	3.97
	137.38	115.34	119.01
Aggregate amount of unquoted investments	137.38	115.52	119.19
Aggregate amount of provision for diminution in value of investments	-	0.18	0.18

*Note 1: Heritage Restaurants and Hospitality LLC, UAE and Deccan Arromas SDN. BHD., Malaysia existed in the books of Varanam Hospitality Private Limited ('Transferor Company 2') which are now taken over by Thalappakatti Hotels Private Limited post merger w.e.f 01 October 2024.

*Note 2: M/s. Varanam Hospitality Private Limited ('VHPL') (merged with Thalappakatti Hotels Private Limited w.e.f 01 October 2024), has invested in M/s. Masala Masters International ('MMI'), located in France.

Provision for investments in MMI and amounts receivable from MMI

VHPL had granted loan to MMI to fund its business requirements, on which it charged interest till 18 December 2023. VHPL also incurred expenses / made payments on behalf of MMI when required, which were to be reimbursed to VHPL by MMI. The loan given, interest receivable and the reimbursement receivable are disclosed under other financial assets. MMI had not been performing as expected on account of which VHPL was unable to recover the amounts due from MMI. Further, VHPL did not expect any significant improvements in the performance of MMI in the near future.

In view of the above, VHPL had provided for diminution in the value of the investment in MMI and also provided for the amounts receivable from MMI in the form of loan, interest receivable and reimbursement receivable. Since VHPL has fully provided for the amounts receivable from MMI, the said amounts which are receivable in foreign currency have not been restated to the year-end exchange rates.

Further, in view of the fact that it is not reasonable to expect collection of interest from the subsidiary, the cumulative amount of such unrecognised interest is ₹ 2.48.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
8 Other non-current financial assets			
<i>Unsecured, considered good</i>			
Security deposits (Refer Note XX)	4.49	4.47	10.39
Balances with banks in deposit accounts (with maturity more than 12 months)	37.80	64.00	48.98
Rental deposits (Refer Note XX)	127.09	125.51	117.20
Others	-	-	0.21
	169.38	193.98	176.78
<i>Unsecured, considered doubtful</i>			
Security and rental deposits	7.15	6.90	1.63
	7.15	6.90	1.63
Less: Allowance for doubtful deposits	(7.15)	(6.90)	(1.63)
	-	-	-
	169.38	193.98	176.78
9 Non-current tax assets			
Advance tax, net of provision	17.73	10.56	12.10
	17.73	10.56	12.10

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
10 Deferred tax assets (net)			
Deferred tax assets	355.07	419.16	452.01
Deferred tax liabilities	(220.80)	(253.66)	(242.22)
Net deferred tax assets	134.27	165.50	209.79

Significant components of deferred tax asset / (liability) for the year ended 31 March 2026 are as follows :

	As at 31 March 2025	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2026
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	58.61	4.25	-	62.86
Financial asset carried at amortised cost	21.83	0.01	-	21.84
Lease liabilities	256.39	(19.04)	-	237.35
Provision for employee benefits	22.95	5.33	1.87	30.15
Right-of-use assets	(253.66)	32.86	-	(220.80)
Carry forward of losses	58.54	(58.54)	-	-
Disallowance under Section 40(a)(ia) and 43B(h)	0.84	2.03	-	2.87
Total	165.50	(33.10)	1.87	134.27

Significant components of deferred tax asset / (liability) for the year ended 31 March 2025 are as follows :

	As at 01 April 2024	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2025
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	55.88	2.73	-	58.61
Financial asset carried at amortised cost	21.94	(0.11)	-	21.83
Lease liabilities (net of Right-of-use assets)	229.31	27.08	-	256.39
Provision for employee benefits	15.18	7.11	0.66	22.95
Right-of-use assets	(242.22)	(11.44)	-	(253.66)
Carry forward of losses	129.38	(70.84)	-	58.54
Disallowance under Section 40(a)(ia) and 43B(h)	0.32	0.52	-	0.84
Total	209.79	(44.95)	0.66	165.50

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
11 Other non-current assets			
<i>Unsecured, considered good</i>			
Capital advances	13.38	35.93	9.03
Prepaid expenses	0.78	0.51	0.21
	14.16	36.44	9.24

12 Inventories			
<i>(At lower of cost or net realisable value)</i>			
Raw materials	32.45	27.77	23.08
Packing Materials	8.02	9.86	7.46
Work-in-progress	10.14	11.50	7.02
Stores and consumables	10.30	5.41	5.21
	60.91	54.54	42.77

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Summary of material accounting policies and other explanatory information

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
13 Trade receivables			
Undisputed trade receivables – considered good (refer note 40)	7.06	23.37	20.66
	7.06	23.37	20.66

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
14 Cash and cash equivalents			
Cash in hand	2.47	7.81	5.55
Balances with bank in current accounts	11.11	12.48	19.37
Others (wallet balance)	1.61	0.97	1.40
	15.19	21.26	26.32

Cash in hand	2.47	7.81	5.55
Balances with bank in current accounts	11.11	12.48	19.37
Others (wallet balance)	1.61	0.97	1.40
	15.19	21.26	26.32

Balances with banks			
- in deposit accounts (with maturity more than 3 months but less than 12 months)	246.76	177.22	190.60
	<u>246.76</u>	<u>177.22</u>	<u>190.60</u>

<i>Unsecured, considered good</i>			
Interest accrued on deposits	3.65	3.93	3.89
Receivable from service providers	67.11	83.22	40.65
Dues from related parties (Refer note 30)	1.57	7.01	3.17
Security deposits	24.59	10.45	7.08
	96.92	104.61	54.79

<i>Unsecured, considered good</i>			
Prepaid expenses	14.29	12.40	10.89
Advances to employees	3.18	1.30	1.59
Advances to suppliers	14.02	4.97	8.10
Balances with Government authorities	14.26	16.70	3.25
Others	-	-	0.18
	45.76	35.37	24.01

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	As at 31 March 2026		As at 31 March 2025		As at 01 April 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
18 Share capital						
Authorised share capital						
Equity shares of ₹ 1 each	720,010,000	720.01	720,010,000	720.01	150,000,000	150.00
	720,010,000	720.01	720,010,000	720.01	150,000,000	150.00
Issued, subscribed and fully paid up						
Equity shares of ₹ 1 each	99,343,854	99.34	99,343,854	99.34	99,343,854	99.34
	99,343,854	99.34	99,343,854	99.34	99,343,854	99.34
(a) Reconciliation of equity share capital						
Balance at the beginning of the year	99,343,854	99.34	99,343,854	99.34	99,343,854	99.34
Add: Issued during the year	-	-	-	-	-	-
Balance at the end of the year	99,343,854	99.34	99,343,854	99.34	99,343,854	99.34
(b) Details of Shares held by Holding Company						
Equity shares of ₹ 1 each						
M/s.Lavender Private Limited	42,091,113	42.09	42,091,113	42.09	42,091,113	42.09
	42,091,113	42.09	42,091,113	42.09	42,091,113	42.09
(c) Details of shareholders holding more than 5% shares						
	Number	%	Number	%	Number	%
Equity Shares of ₹ 1 each fully paid up						
M/s.Lavender Private Limited	42,091,113	42.37%	42,091,113	42.37%	42,091,113	42.37%
N. Deepika	33,097,274	33.32%	33,097,274	33.32%	33,097,274	33.32%
D. Padmavathy	8,850,000	8.91%	8,850,000	8.91%	8,850,000	8.91%
M/s.Tree Line Asia Master Fund (Singapore) Pte. Limited	6,820,800	6.87%	6,820,800	6.87%	6,820,800	6.87%
	90,859,187	91.46%	90,859,187	91.46%	90,859,187	91.46%

(d) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with respect to dividend 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. Voting rights cannot be exercised in respect of shares on which call or other sums presently payable have not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

(f) Disclosure of shareholding of promoters

Equity shares of ₹1

Promoter Name	No. of shares	% of total Shares	% Change during the year
As at 31 March 2026			
M/s.Lavender Private Limited	42,091,113	42.37%	-
N. Deepika	33,097,274	33.32%	-
D. Padmavathy	8,850,000	8.91%	-
As at 31 March 2025			
M/s.Lavender Private Limited	42,091,113	42.37%	-
N. Deepika	33,097,274	33.32%	-
D. Padmavathy	8,850,000	8.91%	-
As at 01 April 2024			
M/s.Lavender Private Limited	42,091,113	42.37%	-
N. Deepika	33,097,274	33.32%	-
D. Padmavathy	8,850,000	8.91%	-

(g) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The shareholders of the Company vide their meeting dated 29 December 2021 had approved the issue of bonus shares in the ratio of 29:1. Accordingly, the Company allotted 94,933,907 shares as fully paid up bonus shares on 12 January 2022 by utilising securities premium account amounting to ₹ 103.18 (out of which ₹ 8.25 is utilised towards share issue expenses). The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new shares are allotted.

The Board of directors at their meeting held on 31 March 2021 approved the sub-division of 31,258 equity shares of face value of ₹100 each fully paid up into 3,125,800 ₹1 equity share each. The same was approved by the share holders of the Company vide their meeting dated 6 April 2021.

The Company has not bought back any shares during the period of five years immediately preceding the balance sheet date.

(h) For details of shares reserved for issue under Share Based Payment plan, refer note XX

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
19 Other equity			
Securities premium	1,255.51	1,255.51	1,255.51
Retained earnings	(599.34)	(729.44)	(740.00)
Share based payments reserve	50.16	44.47	38.05
	706.33	570.54	553.56

Nature and description of reserves:

(i) Securities premium

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

All the profits or losses made by the Company are transferred to retained earnings from Standalone Statement of Profit and Loss.

(iii) Share based payments reserve

The Share-based payments reserve is used to recognise the grant date fair value of options issued to employees under employees stock options scheme.

(iv) Refer Standalone Statement of Changes in Equity for movement in each reserve.

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
20 Borrowings			
Non-current			
Secured (Refer Note (a) below)			
Term loans from a bank and a financial institution	-	70.17	123.56
Vehicle loans from Banks	9.64	2.60	3.19
	9.64	72.77	126.75
Less: Current maturities from long term borrowings (Refer note 24)	3.50	34.98	53.91
	3.50	34.98	53.91
	6.14	37.79	72.84

Details of terms of repayment, guarantee and security for loans outstanding

(a) Secured borrowings

Term loan from a bank and a financial institution

HDFC Bank -Term Loan 1

Loan limit	40.00	40.00	40.00
Loan availed	40.00	40.00	40.00
Amount outstanding	-	-	8.32
Repayable in 70 monthly instalments commencing from 07 June 2019			
Interest rate - 9.05%- 11.30% (MCLR + Risk premium + Spread)			

HDFC Bank -Term Loan 2

Loan limit	75.00	75.00	75.00
Loan availed	75.00	75.00	75.00
Amount outstanding	-	13.03	40.24
Repayable in 35 monthly instalments commencing from 07 November 2022			
Interest rate - 8.25%- 9.41% (MCLR + Risk premium + Spread)			

Tata Capital Financial Services Limited

Loan limit	75.00	75.00	75.00
Loan availed	75.00	75.00	75.00
Amount outstanding	-	57.14	75.00
Repayable in 48 monthly instalments commencing from 05 December 2023			
Interest rate - 11.75%- 12.26% (MCLR + Risk premium + Spread)			

HDFC Bank -Vehicle Loan 1

Loan limit	3.42	3.42	3.42
Loan availed	3.42	3.42	3.42
Amount outstanding	1.95	2.60	3.19
Repayable in 60 monthly instalments commencing from 07 November 2023			
Interest rate - 8.70%			

HDFC Bank -Vehicle Loan 2

Loan limit	7.75	-	-
Loan availed	7.75	-	-
Amount outstanding	6.53	-	-
Repayable in 37 monthly instalments commencing from 10 October 2025			
Interest rate - 8.50%			

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

20 Borrowings (Cont'd)

Details of terms of repayment, guarantee and security for loans outstanding

HDFC Bank -Vehicle Loan 3

Loan limit	1.22	-	-
Loan availed	1.22	-	-
Amount outstanding	1.16	-	-
Repayable in 35 monthly instalments commencing from 11 May 2025			
Interest rate - 8.76%			

- (i) Term loans availed from HDFC Bank are secured by card receivables, movable fixed assets, lien on fixed deposits with the bank and letter of comfort provided by Lavender Private Limited as at 31 March 2026.
- (ii) Term loans availed from Tata Capital are secured by an exclusive charge on movable fixed assets, lien on fixed deposits with the bank and letter of comfort provided by Lavender Private Limited as at 31 March 2026.
- (iii) All vehicle Loans are secured by hypothecation of the vehicles purchased out of the loan.

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
21 Non-current lease liabilities			
Lease liabilities (Refer note XX)	869.61	842.29	757.47
	869.61	842.29	757.47
22 Other non-current financial liabilities			
Security deposits received	-	-	2.50
	-	-	2.50
23 Long-term provisions			
Employee benefits			
Gratuity (Refer note XX)	36.60	25.28	18.46
	36.60	25.28	18.46
24 Current borrowings			
Secured (Refer Note below)			
Bank overdraft	165.61	226.13	250.53
Loans from Director (Refer note 30)	-	-	30.00
Current maturities of long-term borrowings (Refer note 20)	3.50	34.98	53.91
	169.11	261.11	334.44

(a) Security, particulars and terms of Bank overdraft

- (i) The bank overdraft availed from HDFC Bank is secured by card receivables, all moveable fixed assets, letter of comfort from Lavender Private Limited and fixed deposits with the bank. The loan carries an interest rate ranging from 8.75% - 9.50%.
- (ii) The bank overdraft availed from ICICI Bank is secured first pari passu charge by way of hypothecation of the Company's unencumbered current assets and the Company's unencumbered movable fixed assets, exclusive charge on fixed deposit with the bank. The loan carries an interest rate of 8.80%- 9.50% p.a.

(b) Loan from Director

The loan from a Director was at an interest rate of 8% p.a. and was secured by demand promissory notes in favour of the lender. The loan was repayable by 31 December 2024. As of the reporting date, there is no outstanding balance.

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
25 Current lease liabilities			
Lease liabilities (Refer note XX)	196.49	176.41	153.64
	196.49	176.41	153.64

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
26 Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	61.24	66.79	32.77
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	270.90	273.47	255.03
	332.14	340.26	287.80

Trade payables ageing

	Accrued Expenses	Outstanding for following periods from due date of payment					Total
		Not due	<1 year	1-2 years	2-3 years	>3 years	
As at 31 March 2026							
MSME	-	43.19	13.88	1.66	-	2.51	61.24
Other than MSME	132.21	113.82	18.44	6.11	0.32	-	270.90
	132.21	157.01	32.32	7.77	0.32	2.51	332.14
As at 31 March 2025							
MSME	-	53.11	8.00	-	2.20	3.48	66.79
Other than MSME	105.07	140.22	27.67	0.51	-	-	273.47
	105.07	193.33	35.67	0.51	2.20	3.48	340.26
As at 01 April 2024							
MSME	-	23.26	3.54	2.49	0.93	2.55	32.77
Other than MSME	75.42	109.09	65.76	1.86	0.78	2.12	255.03
	75.42	132.35	69.30	4.35	1.71	4.67	287.80

* MSME payables includes interest on delayed payment

18 Trade payables Cont'd

Note:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2025 has been made in the financial statement based on information received and available with the Company. Disclosures required under Section 22 of the MSMED Act to the extent the Company has received intimation from the "suppliers" regarding their status under the MSMED Act:

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Principal amount remaining unpaid to any supplier as at the end of the accounting year	61.24	58.86	25.91
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the year	0.81	1.07	0.99
The amount of interest accrued and remaining unpaid at the end of the accounting year	5.27	7.93	6.67

27 Other current financial liabilities

Dues to employees	148.48	130.23	97.41
Capital Creditors	8.39	20.59	7.40
Interest accrued and not due on borrowings	0.05	0.61	1.00
Dues to related parties (Refer Note XX)	-	-	0.07
Payable towards investment in subsidiary (Refer Note XX)	2.53	-	-
	159.46	151.43	105.88

28 Other current liabilities

Statutory dues	34.85	31.45	26.15
Others	1.29	2.31	3.70
	36.15	33.76	29.85

29 Short-term provisions

Current

Gratuity (refer note XX)	9.29	3.17	2.45
Compensated absences (refer note XX)	7.30	4.42	2.06
Provision for litigation	10.83	7.87	15.00
	27.42	15.46	19.51

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
30 Revenue from operations		
From sale of services (Refer Note XX)		
Food & beverages	4,900.47	4,032.90
	4,900.47	4,032.90
Other operating revenues		
Sale of masala items	3.45	1.99
License fees	50.67	26.78
	4,954.59	4,061.67
31 Other income		
Interest income on		
- from bank deposits	17.72	15.56
Liabilities/Provision no longer required, written back	9.21	18.50
Interest income earned on financial assets that are not designated at FVTPL	15.80	17.10
Gain on lease modification	0.47	0.33
Dividend income from subsidiaries	24.74	-
Gain on foreign currency transactions	3.50	4.49
Miscellaneous income	1.80	4.41
	73.24	60.39
32 Cost of materials consumed		
Opening stock	37.63	30.54
Add: Purchases	2,032.79	1,728.41
	2,070.42	1,758.95
Less: Closing stock	40.47	37.63
	2,029.95	1,721.32
33 Changes in inventories of work-in-progress		
Stock at the beginning of the year		
Work-in-progress	11.50	7.02
	11.50	7.02
Less: Stock at the end of the year		
Work-in-progress	10.14	11.50
	10.14	11.50
	1.36	(4.48)
34 Employee benefits expense		
Salaries and Bonus	845.60	752.44
Contribution to provident and other funds	77.22	75.21
Gratuity expense	16.10	12.69
Share based compensation charge	5.69	6.42
Staff welfare expenses	20.54	12.61
	965.15	859.37
35 Finance costs		
Interest expense on		
- on lease liabilities	112.49	102.15
- on a term loan	23.53	31.83
- others	1.45	3.68
Loan processing charges	1.30	3.22
	138.77	140.88

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
36 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	156.24	139.34
Depreciation of right-of-use of assets	247.42	232.66
Amortisation of intangible assets	3.22	3.14
	406.87	375.14
37 Other expenses		
Rent	69.80	71.43
Commission on aggregator sales	415.80	286.26
Power and fuel	178.20	163.04
Advertisement and business promotion	261.47	102.84
Repairs and maintenance	-	-
- Plant and Machinery	20.59	23.91
- Others	43.29	46.33
Legal and professional	101.42	84.87
Cleaning charges	55.78	47.12
Outsourced services	26.03	35.04
Travelling and conveyance	13.87	15.26
Communication	11.80	13.13
Rates and taxes	61.38	44.82
Printing and stationery	11.68	11.21
Bank charges (including card charges)	7.67	7.21
Auditors' remuneration	5.94	5.46
Insurance	2.46	2.14
Allowance for doubtful deposits	-	1.77
Loss on sale of property, plant and equipment	0.97	-
Miscellaneous expenses	6.52	14.43
	1,294.66	976.27
Note: Payment to auditors (excluding applicable taxes)		
Statutory audit	6.00	4.80
Certification	0.35	0.50
Reimbursement of expenses	0.16	0.16
	6.51	5.46
38 Tax expense		
(a) Income tax expense recognised in the statement of profit and loss		
Current tax	16.19	-
Income tax for previous periods	6.09	-
Deferred tax credit	33.10	44.95
Income tax expense reported in the statement of profit and loss	55.37	44.95
(b) Income tax on other comprehensive income		
Arising on income and expenses recognised in other comprehensive income:	-	-
Re-measurement of defined benefit liabilities	(1.87)	(0.66)
Income tax related to items recognised in other comprehensive income during the year	(1.87)	(0.66)
Total tax expenses recognised in the Statement of Profit and Loss [a+b]	53.51	44.29
(c) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	191.06	53.56
Income tax expense calculated at 25.17% (31 March 2025: 25.17%)	48.09	13.48
Tax effect of:		
Expenses that are not deductible in determining taxable profit	-	-
Adjustments in respect of income tax of previous years	6.09	-
Other temporary differences	3.21	32.13
Income tax reported in the statement of profit and loss	57.39	45.61
39 Earnings per share		
Profit attributable to equity shareholders	124.55	8.61
Weighted average number of equity shares (No's)	99,343,854	99,343,854
Basic and diluted earnings per equity share (in ₹)	1.25	0.09
Face value per equity share (in ₹)	1	1
Reconciliation of equity shares used in computation of earnings per share is as follows:-		
Weighted average number of equity shares at the beginning of the year	99,343,854	99,343,854
Weighted average number of equity shares issued during the year*	-	-
Weighted average number of equity shares for computation of basic earnings per share	99,343,854	99,343,854

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

40 Related party transactions

(a) Details of related parties

Description of relationship	Names of related parties
Ultimate Holding Company	CX Partners Fund 2 Limited
Holding Company	Lavender Private Limited
Subsidiaries	Thalappakatti Holdings US Inc., USA Thalappakatti Singapore Holdings Pte. Ltd, Singapore Varanam Hospitality Private Limited (merged w.e.f 1 October 2024) Thalappakatti Naidu Anandha Vilas Briyani Hotel Private Limited (Converted to Private Limited Company w.e.f. 5 September 2024; merged w.e.f 1 October 2024) Heritage Restaurants and Hospitality LLC, UAE (w.e.f 1 October 2024) Thalappakatti Restaurants (US) Inc. (w.e.f 29 July 2025) Thalappakatti Restaurants L.L.C, Dubai (w.e.f 04 December 2025)
Step-down subsidiaries	Heritage Restaurants and Hospitality LLC, UAE (subsidiary of Varanam Hospitality Private Limited upto 30 September 2024) Heritage Biriyani Singapore Pte. Ltd, Singapore (subsidiary of Thalappakatti Singapore Holdings Pte. Ltd) (upto 23 March 2026) Heritage Biriyani Lanka (Private) Limited, Srilanka (subsidiary of Thalappakatti Singapore Holdings Pte. Ltd)
Associates	Deccan Arromas SDN. BHD., Malaysia Heritage Biriyani Inc., USA
Investment in Limited Liability Partnership	Thalappakatti Naidu Anandha Vilas Briyani Hotel LLP (converted to Private Limited Company w.e.f 6 September 2024)
Key management personnel (KMP)	Nagasamy Dhanabalan, Managing Director Tarun Khanna, Director Manu Sahni, Director (w.e.f 21 December 2022, up to 29 Jan 2024) Jayanta Kumar Basu, Director Ravi Kannan, Director Vinayak Prabhakar Shenvi ,Director (w.e.f 29 January 2024) A Senthil Kumar (w.e.f 16 August 2022)
Shareholder and a relative of KMP	Deepika Nagasamy D. Padmavathy
Enterprises in which key managerial personnel exercises significant influence	M/s Tsquare M/s.Indivar Capital Advisors LLP

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

40 Related party transactions (Cont'd)

(b) Summary of transactions with related parties during the year (Cont'd)

Nature of transactions / Name of related party	Description of relationship	As at 31 March 2026	As at 31 March 2025
Remuneration paid			
- A Senthil Kumar	KMP	11.99	9.66
- Deepika Nagasamy	Shareholder & a relative of KMP	0.62	0.48
Employee stock option compensation cost			
- A Senthil Kumar	KMP	2.35	-
Rent expense			
- D.Nagasamy	KMP	6.45	5.98
Professional charges			
- M/s.Tsquare	Entity in which KMP has significant influence	26.31	11.62
- M/s.Indivar Capital Advisors LLP	Entity in which KMP has significant influence	18.17	22.89
Interest expense on loan from			
- D. Nagasamy	KMP	-	0.62
Dividend Income			
Thalappakatti Holdings US Inc	Subsidiary	24.74	-
Varanam Hospitality Private Limited	Subsidiary (merged w.e.f 1 October 2024)	-	-
Accounting Service Receipt			
- Heritage Biryani Inc.	Associate	1.06	1.02
Sale of Masala items			
- Deccan Arromas SDN. BHD., Malaysia	Associate	-	0.07
Managerial Fees Income			
- Deccan Arromas SDN. BHD., Malaysia	Associate	0.34	0.36
License Fees			
Heritage Restaurants and Hospitality LLC, UAE	Step-down subsidiary upto 30 September 2024 Subsidiary w.e.f 1 October 2024	3.56	3.49
Heritage Biryani Lanka (Private) Limited,	Step-down subsidiary	30.42	14.53
Deccan Arromas SDN. BHD., Malaysia	Associate	3.21	1.53
Heritage Biryani Inc., USA	Associate	13.47	7.23

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

(c) Summary of balances with related parties as at the year end (Cont'd)

Nature of transactions / Name of related party	Description of relationship	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Trade receivable				
Heritage Biryani Inc., USA	Associate	1.68	1.85	1.84
Heritage Biryani Lanka (Private) Limited,	Step-down subsidiary	3.78	20.48	15.33
Heritage Restaurants and Hospitality LLC	Step-down subsidiary upto 30 September 2024	-	0.81	1.73
	Subsidiary w.e.f 1 October 2024			
Deccan Arromas SDN. BHD., Malaysia	Associate	0.27	0.23	1.36
Other receivables				
Heritage Biryani Inc.	Associate	0.09	0.24	1.75
Heritage Restaurants and Hospitality LLC	Step-down subsidiary upto 30 September 2024	-	-	0.50
	Subsidiary w.e.f 1 October 2024			
Heritage Biryani Lanka (Private) Limited	Step-down subsidiary	-	-	0.92
Thalappakatti Singapore Holding Pte Limited	Subsidiary	-	5.86	-
Deccan Arromas SDN. BHD., Malaysia	Associate	-	0.91	
Thalappakatti Restaurants L.L.C, Dubai (w.e.f 04 December 2025)	Subsidiary	1.47	-	-
Rental Deposits				
- D.Nagasamy	KMP	2.40	7.20	2.40
Other financial liabilities				
- Loan from Mr. D.Nagasamy	KMP	-	-	30.00
- Payable to Mr. D Nagasamy	KMP	-	-	4.67
- Payable to Mrs. N. Deepika	Shareholder and a relative of KMP	-	-	0.02
Thalappakatti Restaurants L.L.C, Dubai (w.e.f 04 December 2025)	Subsidiary	2.53	-	-
Trade Payables				
- M/s.Tsquare	Entity in which KMP has significant influence	1.42	1.30	1.33
- M/s.Indivar Capital Advisors LLP	Entity in which KMP has significant influence	0.53	0.49	0.49
- D.Nagasamy	KMP	0.50	0.49	0.58
Dues to Employees				
- A Senthil Kumar	KMP	0.86	0.57	0.45
- Deepika Nagasamy	Shareholder & a relative of KMP	0.05	0.05	0.02

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

41 Fair value of financial instruments

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
A. Financial assets			
a) Measured at amortised cost			
Non-current assets			
(i) Investments (refer note (iv) below	137.38	115.34	119.01
(ii) Other financial assets	169.38	193.98	176.78
Current assets			
(i) Trade receivables	7.06	23.37	20.66
(ii) Cash and cash equivalents	15.19	21.26	26.32
(iii) Bank balances other than (ii) above	246.76	177.22	190.60
(iv) Other financial assets	96.92	104.61	54.79
	672.68	635.78	588.16
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	672.68	635.78	588.16
B. Financial liabilities			
a) Measured at amortised cost			
Non-current liabilities			
(i) Borrowings	6.14	37.79	72.84
(ii) Lease liabilities	869.61	842.29	757.47
(iii) Other financials liabilities	-	-	2.50
Current liabilities			
(i) Borrowings	169.11	261.11	334.44
(ii) Lease liabilities	196.49	176.41	153.64
(iii) Trade payables	332.14	340.26	287.80
(iv) Other financial liabilities	159.46	151.43	105.88
	1,732.96	1,809.29	1,714.57
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	1,732.96	1,809.29	1,714.57

Notes:

(i) The carrying value of cash and cash equivalents, other bank balances, trade receivables, other financial assets, short term borrowings, trade payables, current portion of lease liabilities and other financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

ii) Fair value hierarchy:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

There are no assets/ liabilities carried at fair value.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

41 Fair value of financial instruments (Cont'd)

(ii) Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(a) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised, as summarised below:

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Non-current assets			
(i) Other financial assets	169.38	193.98	176.78
Current assets			
(i) Trade receivables	7.06	23.37	20.66
(ii) Cash and cash equivalents	15.19	21.26	26.32
(iii) Bank balances other than (ii)	246.76	177.22	190.60
(iv) Other financial assets	96.92	104.61	54.79
	535.30	520.44	469.15

The Company's cash and cash equivalents and other bank balances are held in reputed banks, which management believes are of high credit quality and hence no impairment allowance has been recognized. Other financial assets majorly comprises of the rental deposits and fixed deposits, which the management believes are of high credit quality and hence no impairment allowance has been recognized.

The Company has established an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and 12 months expected credit loss for other receivables, further an impairment analysis is performed at each reporting date on an individual basis for major parties.

With respect to trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for unsecured receivables based on historical credit loss experience and is adjusted for forward looking information. The allowance of trade receivables is based on the ageing of the receivables that are due.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. The Company ensures optimisation of cash through fund planning and robust cash management practices.

(i) Foreign currency risk

The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company is exposed to foreign exchange risk on account of license fees and accounting service receipts from its subsidiaries in foreign currency. The Company's foreign currency transactions are mainly in United States Dollar (USD). Consequently, the Company is exposed to the risk that the exchange rate of INR relative to USD may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in INR.

Foreign currency denominated financial assets and liabilities (unhedged) which expose the Company to currency risk are as follows:

	As at 31 March 2026		As at 31 March 2025		As at 01 April 2024	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivables (including unbilled)						
USD	0.06	5.84	0.37	30.38	0.04	3.17

Sensitivity analysis:

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Currency	1% increase			1% decrease		
	31 March 2026	31 March 2025	1 April 2024	31 March 2026	31 March 2025	1 April 2024
USD/INR	0.06	0.30	0.03	(0.06)	(0.30)	(0.03)

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

41 Fair value of financial instruments (Cont'd)

(ii) Financial risk management (Cont'd)

(ii) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on bank/financial institution financing. As at 31 March 2026, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

(ii.a) Liabilities

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Variable rate borrowing	165.61	296.30	374.09
Fixed rate borrowing	9.64	2.60	33.19
Total borrowings	175.25	298.90	407.28
Amount disclosed under borrowings (Non-current and current)	175.25	298.90	407.28

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Interest sensitivity			
Interest rates – increase by 100 basis points (100 bps)	(16.56)	(29.63)	(37.41)
Interest rates – decrease by 100 basis points (100 bps)	16.56	29.63	37.41

(ii.b) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(c) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

As at 31 March 2026	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	169.11	6.14	-	175.25
Lease liabilities	304.86	713.45	319.43	1,337.74
Trade payable	321.54	10.60	-	332.14
Other financial liabilities	159.46	-	-	159.46
Total	954.97	730.19	319.43	2,004.59
As at 31 March 2025	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	261.11	37.79	-	298.90
Lease liabilities	273.64	826.10	298.66	1,398.40
Trade payable	334.07	6.19	-	340.26
Other financial liabilities	151.43	-	-	151.43
Total	1,020.25	870.08	298.66	2,188.99
As at 01 April 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	334.44	72.84	-	407.28
Lease liabilities	241.82	749.82	224.50	1,216.14
Trade payable	277.07	10.73	-	287.80
Other financial liabilities	105.88	2.50	-	108.38
Total	959.21	835.89	224.50	2,019.60

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

42 Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

Management monitors capital on the basis of the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The Net Gearing Ratio at end of the reporting period was as follows:

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Borrowings (Refer note 20 and 24)	175.25	298.90	407.28
Lease liabilities (Refer note 21 and 25)	1,066.10	1,018.70	911.11
Less: Cash and cash equivalents (Refer note 14)	(15.19)	(21.26)	(26.32)
Less: Bank balances other than cash and cash equivalents (Refer note 15)	(246.76)	(177.22)	(190.60)
Net debt	1,226.17	1,119.12	1,101.47
Equity (Refer Note 18)	99.34	99.34	99.34
Other Equity (Refer Note 19)	706.33	570.54	553.56
Total capital	805.67	669.88	652.90
Gearing ratio (A/B)*	1.52	1.67	1.69

Note:

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026, 31 March 2025 and 01 April 2024.

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

43 Employee benefits

(a) Defined contribution plans

The Company makes provident and employee state insurance scheme contributions, which is a defined contribution plan, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Amount recognised in Standalone Statement of Profit and Loss for contribution to provident fund and employee state insurance are as follows (refer note 34):

	Year ended 31 March 2026	Year ended 31 March 2025
Contributions to provident fund	62.10	61.10
Contributions to employee state insurance	15.12	14.11
	77.22	75.21

(b) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment as is determined based on an independent actuarial valuation at the balance sheet date. The gratuity provision of the Company is unfunded.

The following table set out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
(i) Amounts recognised in the Balance Sheet are as follows:			
Present value of defined benefit obligation	45.89	28.45	20.91
Fair value of plan assets	-	-	-
Net liability recognised in the Balance Sheet	45.89	28.45	20.91
(ii) Current / Non-current classification of defined benefit obligation:			
Current benefit obligation	9.29	3.17	2.45
Non-current benefit obligation	36.60	25.28	18.46
	45.89	28.45	20.91
(iii) Changes in the present value of the defined benefit obligation are as follows:			
Opening defined benefit obligation	28.45	20.91	17.95
Current service cost	13.44	9.80	6.87
Interest cost	1.85	1.46	1.27
Plan Amendment's Past service cost	11.14	-	-
Benefits settled	(1.58)	(1.11)	(1.80)
Actuarial (gain)/loss - experience	(6.02)	(2.06)	(4.00)
Actuarial (gain)/loss – demographic assumptions	-	-	(0.85)
Actuarial (gain)/loss – financial assumptions	(1.39)	(0.55)	1.46
Defined benefit obligation at the end of the year	45.89	28.45	20.91
(iv) Components of net gratuity costs are:			
Current service cost		13.44	9.80
Past service cost		11.14	-
Interest cost on benefit obligation		1.85	1.46
Expense recognised in the Statement of Profit and Loss for the year		26.43	11.26
(v) Remeasurement due to:			
Effect of experience adjustments		(6.02)	(2.06)
Effect of demographic assumption changes		-	-
Effect of financial assumption changes		(1.39)	(0.55)
Gain recognised in the Other Comprehensive Income (OCI) for the year		(7.41)	(2.61)
(vi) Principal assumptions used for actuarial valuation of gratuity:			
Discount rate	7.32%	6.67%	
Salary escalation rate	5.00%	5.00%	
Attrition rate	30.00%	30.00%	
Retirement Age	58 years	58 years	
Mortality rate (IAL: Indian Assured Lives Mortality (2012-14) ultimate.)	IALM (2012-14)	IALM (2012-14)	

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

43 Employee benefits (Cont'd)

(b) Gratuity (Cont'd)

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
(vii) Experience adjustments:			
Defined Benefit Obligation	45.89	28.45	20.91
Fair value of plan assets	-	-	-
(Surplus)/deficit	45.89	28.45	20.91
Experience adjustments on liabilities: gain/(loss)	(6.02)	(2.06)	(4.00)
Experience adjustments on plan assets: gain/(loss)	-	-	-
(viii) Maturity analysis of Defined Benefit Obligation (valued on undiscounted basis):			
1 year	9.30	3.17	2.57
2 to 5 years	19.29	8.00	8.00
6 to 10 years	12.68	4.43	5.23
More than 10 years	33.96	12.85	18.29
(ix) Sensitivity analysis			
Impact on defined benefit obligations on account of increase in:			
Discount rate by 1%	(2.12)	(1.50)	(1.11)
Salary escalation rate by 1%	2.16	1.56	1.15
Attrition rate by 1% of attrition rate	(0.26)	(0.27)	(0.21)
Impact on defined benefit obligations on account of decrease in:			
Discount rate by 1%	2.34	1.66	1.23
Salary escalation rate by 1%	(2.01)	(1.43)	(1.05)
Attrition rate by 1% of attrition rate	0.25	0.27	0.21

(c) Compensated absences

The Company permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Compensated absences liability is unfunded. Actuarial assumptions considered to determine the provision required for compensated absences is same as gratuity provision.

44 Leases

The Company's significant leasing arrangements are in respect of leases for buildings for running their restaurants business. These premises are generally rented on lease term ranging from 11 months to 9 years and with escalation clause. There are no subleases.

(i) Lease liabilities is presented in the Standalone Balance Sheet as follows:

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Current lease	196.49	176.41	153.64
Non-current lease	869.61	842.29	757.47
Total	1,066.10	1,018.70	911.11

(ii) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Buildings	Total
Balance as at 01 April 2024	911.11	911.11
Additions	263.72	263.72
Accretion of interest	102.15	102.15
Payment of lease liabilities	(258.29)	(258.29)
Balance as at 31 March 2025	1,018.70	1,018.70
Additions	227.35	227.35
Accretion of interest	112.49	112.49
Payment of lease liabilities	(292.45)	(292.45)
Balance as at 31 March 2026	1,066.09	1,066.09

(iii) The maturity analysis of lease liabilities is disclosed in note 41

(iv) The following are the amounts recognised in Standalone Statement of Profit and Loss:

	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation expense of right-of-use assets	247.42	232.66
Interest expense on lease liabilities	112.49	102.15
Expense relating to short-term leases (included in other expenses)	59.86	62.01
Variable lease payments (included in other expenses)	9.94	9.42

(v) The following are the amounts recognised in Standalone Cash Flow Statement:

	Year ended 31 March 2026	Year ended 31 March 2025
Total cash outflow for leases - principal	179.96	156.13
Total cash outflow for leases - interest	112.49	102.15

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

45 First time adoption of Indian Accounting Standards (Ind AS)

These standalone financial statements, for the year ended 31 March 2025, are the first financial statements the Company has prepared in accordance with Ind AS. For the periods upto 31 March 2024, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Amendment thereof ('Indian GAAP' or 'IGAAP' or "previous GAAP").

Accordingly, the Company has prepared these standalone Ind AS financial statements which comply with Ind AS applicable for the year ended 31 March 2026, together with the comparative period data as at and for the year ended 31 March 2025, as described in the summary of material accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at 01 April 2024, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 01 April 2024 and the financial statements as at and for the year ended 31 March 2025.

A. Exemptions and exceptions availed

Ind AS 101, 'First time adoption of Indian Accounting Standards' provides certain optional exemptions and mandatory exceptions for transition to Ind AS. Set out below are the optional exemptions and mandatory exceptions applied by the Company on transition from previous GAAP to Ind AS:

(a) Ind AS optional exemptions

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

(i) Deemed cost for Property, plant and equipment and intangible assets

Ind AS 101 permits a first time adopter to elect to continue with the carrying value of net block for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, 'Intangible Assets'. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) Leases

Ind AS 116, Leases requires an entity to assess whether a contract or arrangement contains a lease. Accordingly as per Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement.

The Company has adopted Ind AS 116 based on modified retrospective approach, wherein the present value of lease payment is discounted at the incremental borrowing rate and the right to use asset is carried at an amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application.

(iii) Share-based payment transactions

Ind AS 101 permits a first time adopter to not apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date, as defined in Ind AS 102. Accordingly, the Company has applied fair value accounting for the unvested equity instruments as at the transition date.

(iv) Investments in subsidiaries, joint ventures and associates

Ind AS 101 permits a first time adopter to elect to continue with the carrying value of investments in subsidiaries, joint ventures and associates as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its investments in subsidiaries, joint ventures and associates at their previous GAAP carrying value.

(b) Ind AS mandatory exemptions

(i) Estimates

An entity's estimates in accordance with Ind AS's 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 01 April 2023 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 discount rate for leases and security deposits

(ii) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets is made considering whether the conditions as per Ind AS 109, 'Financial Instruments' are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- a) The effects of the retrospective application or retrospective restatement are not determinable;
- b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

(iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, 'Financial Instruments' to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109, 'Financial Instruments' prospectively from the date of transition to Ind AS.

(iv) Impairment of financial assets

Ind AS 101 requires a first-time adopter to apply the impairment requirements of Ind AS 109 retrospectively subject to below:

- At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised.
- An entity is not required to undertake an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition.

Accordingly, the Company has used the reasonable and supportable information that is available as on the transition date to apply the impairment requirements of Ind AS 109.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

45 First time adoption of Ind AS (Cont'd)

B. Reconciliations between previous GAAP and Ind AS

The following tables provide the reconciliations of balance sheet, equity, total comprehensive income and cash flows from previous GAAP to Ind AS:

(a) Reconciliation of Balance Sheet as at 31 March 2025 and 01 April 2024:

	Notes to first time adoption	As at 31 March 2025			As at 01 April 2024		
		Previous GAAP*	Ind AS adjustments	Ind AS	Previous GAAP*	Ind AS adjustments	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	1	589.94	(2.02)	587.92	574.35	(6.18)	568.17
(b) Capital work-in-progress		14.63	(4.72)	9.91	7.65	-	7.65
(c) Intangible assets		9.81	-	9.81	10.99	-	10.99
(d) Right of use assets	1	-	1,007.85	1,007.84	-	962.41	962.41
(e) Financial assets							
(i) Investments		83.13	32.21	115.34	664.02	(545.01)	119.01
(ii) Other financial assets	2	258.97	(64.99)	193.98	232.95	(56.17)	176.78
(f) Non-current tax assets		10.56	-	10.56	13.86	(1.76)	12.10
(g) Deferred tax assets (net)	5	160.64	4.86	165.50	222.76	(12.97)	209.79
(h) Other non-current assets		36.44	-	36.44	9.24	-	9.24
		1,164.12	973.19	2,137.30	1,735.82	340.32	2,076.14
Current assets							
(a) Inventories		54.54	-	54.54	42.77	-	42.77
(b) Financial assets							
(i) Trade receivables		23.37	-	23.37	0.40	20.26	20.66
(ii) Cash and cash equivalents		198.48	(177.22)	21.26	203.13	(176.81)	26.32
(iii) Bank balances other than (ii) above		-	177.22	177.22	-	190.60	190.60
(iv) Other financial assets		94.16	10.45	104.61	74.70	(19.91)	54.79
(c) Other current assets		35.37	-	35.37	23.83	0.18	24.01
		405.92	10.45	416.37	344.83	14.32	359.15
Total Assets		1,570.04	983.64	2,553.67	2,080.65	354.64	2,435.29
EQUITY AND LIABILITIES							
Equity							
(a) Share capital		99.34	-	99.34	99.34	-	99.34
(b) Other equity		525.74	44.80	570.54	1,023.64	(470.08)	553.56
		625.08	44.80	669.88	1,122.98	(470.08)	652.90
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	1	42.01	(4.22)	37.79	86.01	(13.17)	72.84
(ii) Lease liabilities	1	-	842.29	842.29	-	757.47	757.47
(iii) Other financial liabilities		70.97	(70.97)	-	74.30	(71.80)	2.50
(b) Provisions		25.28	-	25.28	18.46	-	18.46
		138.26	767.10	905.36	178.77	672.50	851.27
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	1	264.06	(2.95)	261.11	337.36	(2.92)	334.44
(ii) Lease liabilities	1	-	176.41	176.41	-	153.64	153.64
(iii) Trade payables		340.26	-	340.26	286.38	1.42	287.80
(iv) Other financial liabilities		151.43	-	151.43	105.81	0.07	105.88
(b) Other current liabilities	1	35.49	(1.73)	33.76	29.84	0.01	29.85
(c) Provisions		15.46	-	15.46	19.51	-	19.51
		806.70	171.73	978.43	778.90	152.22	931.12
Total Equity and Liabilities		1,570.04	983.63	2,553.67	2,080.65	354.64	2,435.29

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Lakhs, unless otherwise stated)

45 First time adoption of Ind AS (Cont'd)

B. Reconciliations between previous GAAP and Ind AS (Cont'd)

(b) Reconciliation of Statement of Profit and Loss for the year ended 31 March 2025 as previously reported under IGAAP with Ind AS:

	Notes to first time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
INCOME				
Revenue from operations		4,061.67	-	4,061.67
Other income	2	54.15	6.24	60.39
		4,115.82	6.24	4,122.06
EXPENSES				
Cost of materials consumed		1,721.32	-	1,721.32
Changes in inventories of work-in-progress		(4.48)	-	(4.48)
Employee benefits expense	4 & 6	850.34	9.03	859.37
Finance costs	1	43.32	97.56	140.88
Depreciation and amortisation expense	1	146.65	228.49	375.14
Other expenses	1	1,223.10	(246.82)	976.28
Total expenses		3,980.25	88.25	4,068.50
Profit before tax		135.57	(82.01)	53.56
Tax expense:				
(a) Current tax		-	-	-
(b) Deferred tax credit	5	62.12	(17.17)	44.95
Profit after tax		73.45	(64.83)	8.62
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
(i) Re-measurement of defined benefit liabilities	4	-	2.61	2.61
(ii) Income tax relating to items that will not be reclassified to profit or loss	5	-	(0.66)	(0.66)
Total other comprehensive income for the year		-	1.96	1.96
Total comprehensive income for the year		73.45	(62.88)	10.57

(c) Reconciliation of total equity as at 31 March 2025 and 01 April 2024:

	Notes to first time adoption	As at 31 March 2025	As at 01 April 2024
Total equity (shareholder's funds) as per previous GAAP		625.08	1,122.98
		625.08	1,122.98
Adjustments on account of transition to Ind AS:			
Lease accounting as per Ind AS 116	1	1.31	81.91
Share based payments	6	6.42	
Optionally Convertible Preference Shares (OCPS)	8	32.21	25.61
Impact of business combination	7	-	(564.63)
Deferred tax on above adjustments	5	4.86	(12.97)
Total adjustments		44.80	(470.08)
Total equity as per Ind AS		669.88	652.90

(d) Reconciliation of statement of cash flow for the year ended 31 March 2025:

	Amount as per Previous GAAP	Ind AS adjustments	Amount as per Ind AS
Net cash flow from operating activities	315.66	347.09	662.75
Net cash used in investing activities	(157.92)	22.44	(135.48)
Net cash generated from financing activities	(136.61)	(371.33)	(507.94)
Net increase in cash and cash equivalents	21.13	(1.79)	19.34
Cash and cash equivalents at the beginning of the year	(226.00)	1.79	(224.21)
Cash and cash equivalents at the end of the year	(204.87)	(0.00)	(204.87)

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Lakhs, unless otherwise stated)

45 First time adoption of Ind AS (Cont'd)

C. Notes to first time adoption

1 Leases

Under previous GAAP, the Company as a lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incidental to the ownership of an asset. Operating lease were expensed in the statement of profit and loss and an equalisation reserve was created as per IGAAP. Pursuant to application of Ind AS 116, for operating leases and finance leases other than those for which the Company has opted for low value and short-term exemption, the Company has recorded a right-of-use assets and lease liability. Right-of-use (ROU) asset is amortised over the lease term or useful life of the leased assets whichever is lower and lease liability is subsequently measured at amortised cost and interest expense is recognised.

2 Security deposits

Under previous GAAP, interest free security deposits are recognised at their transaction value. Under Ind AS 109, these deposits are initially recognised at fair value and subsequently measured at amortised cost at the end of each reporting period. Accordingly, the difference between transaction value and fair value of these deposits is recognised as right-of-use assets and is amortised over the period of the lease term or agreement of deposit respectively. Further, interest is accrued on the present value of these security deposits.

3 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 actuarial gain/loss on defined benefit plan. The concept of other comprehensive income did not exist under previous GAAP.

4 Re-measurement of gain/losses on defined benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised on other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

5 Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 - Income taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The Company has recognized deferred tax assets in respect of temporary differences to the extent of the deferred tax liability in accordance with Ind AS-12 "Income Taxes" in absence of convincing evidence pertaining to recoverability of the tax assets. Also, refer Note 10 to the financial statements.

6 Share based payments

Under previous GAAP, share based payments were recorded at intrinsic value in accordance with the Guidance Note on Accounting for share based payments issued by the Institute of Chartered Accountants of India. Ind AS 101 permits a first time adopter to not apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs. Accordingly, the Company has applied fair value accounting for the unvested equity instruments as at the transition date.

7 Business Combination

Under previous GAAP, business combination was accounted for as on the effective date i.e., 01 October 2024. However, as per Ind AS 103, the financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the impact of the business combination has been given as on 01 April 2024.

8 Optionally Convertible Preference Shares (OCPS)

Under previous GAAP, investment in Optionally Convertible Preference Shares (OCPS) was accounted for at cost less impairment, if any. Under Ind AS 109, the investment is measured at amortised cost using the effective interest rate method. Accordingly, the Company has adjusted the carrying value of the investment by discounting the future cash flows and recognising the resultant adjustment in retained earnings as at the transition date.

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Lakhs, unless otherwise stated)

46 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. However, the average net profits computed in accordance with Section 198 of the Act is Nil and accordingly the amount required to be spent on CSR activities during the year is Nil.

	Year ended 31 March 2026	Year ended 31 March 2025
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount spent during the year on:		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	-	-
(f) Details of related party transactions in relation to CSR expenditure	-	-

47 Segment reporting

The Company's business comprises Online sale of services, the services of which represents one business segment. As the Company is engaged in a single operating segment, segment information that has been tabulated below is Company-wide:

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2026	Year ended 31 March 2025
(i) Revenues from online sale of services and related goods by location of customers		
India	4,903.92	4,034.89
Outside India	50.67	26.78
	4,954.59	4,061.67
	As at 31 March 2026	As at 31 March 2025
(ii) Non-current assets (other than financial instruments, tax assets and deferred tax assets)		As at 01 April 2024
India	1,707.44	1,651.92
Outside India	-	-
	1,707.44	1,651.92
		1,558.46

(iii) Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale

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

48 Revenue from Contracts with Customers

The Company's revenue primarily comprises of Revenue from restaurants operations. The following table presents Company's revenue disaggregated by type of revenue stream and by reportable segment:

	Year ended 31 March 2026	Year ended 31 March 2025
(i) Revenue based on product and services		
Food & beverages	4,900.47	4,032.90
Sale of masala items	3.45	1.99
License fees	50.67	26.78
	4,954.59	4,061.67
(ii) Revenue based on geography		
India	4,903.92	4,034.89
Outside India	50.67	26.78
	4,954.59	4,061.67
(iii) Revenue based on timing of recognition		
At a point in time	4,954.59	4,061.67
Over time	-	-
	4,954.59	4,061.67
(iv) Reconciliation of revenue recognised with contract price:		
Contract price	4,954.59	4,061.67
	4,954.59	4,061.67

(v) Significant changes in contract asset and contract liability during the period are as follows:

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:□

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Assets and liabilities related to contracts with customers			
Contract assets			
Trade receivables	7.06	23.37	20.66

Trade receivables are recorded when the right to consideration becomes unconditional.

Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

49 Merger

A Composite Scheme of Arrangement and Amalgamation ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013 between Thalappakatti Naidu Anandha Vilas Briyani Hotel Private Limited ('Transferor Company 1'), Varanam Hospitality Private Limited ('Transferor Company 2') and Thalappakatti Hotels Private Limited ('Transferee Company' / 'Company') and their respective shareholders has been approved by The National Company Law Tribunal, Chennai Bench vide their order dated 12 June 2025 with 01 October 2024 as the appointed date. Thalappakatti Naidu Anandha Vilas Briyani Hotel LLP was converted to a Private Limited Company i.e Transferor Company 1 w.e.f 06 September 2024. Further, as per Ind AS 103, the financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the impact of the business combination has been given as on 01 April 2024.

Consequently, in respect of the merger of Thalappakatti Naidu Anandha Vilas Briyani Hotel Private Limited and Varanam Hospitality Private Limited with the Company:

a) The entire business and the whole of the undertaking of Thalappakatti Naidu Anandha Vilas Briyani Hotel Private Limited and Varanam Hospitality Private Limited, as a going concern stands transferred to and vested in the Company with effect from 1 October 2024, being the Merger Appointed Date.

b) The Transferor Companies are wholly owned subsidiaries of the Transferee Company and its entire share capital is held by Transferee Company and its nominees. Accordingly, upon the scheme becoming effective, no new shares are issued, or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Companies. The issued and paid-up capital of the Transferor Companies have been cancelled as part of the scheme.

c) All the inter-company transactions have been cancelled.

d) The amalgamation of Thalappakatti Naidu Anandha Vilas Briyani Hotel Private Limited and Varanam Hospitality Private Limited with the Company was accounted for on the basis of the pooling of interests method as specified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021.

e) The details of net identifiable assets acquired by way of merger is given below.

	Transferor Company 1	Transferor Company 2	Total Balance as at 01 October 2025
Assets			
(a) Investment other than marketable securities	-	6.73	6.73
(b) Other non-current assets	2.21	-	2.21
(c) Trade receivables	19.11	1.15	20.26
(d) Cash and cash equivalent	10.64	1.16	11.80
(e) Other current assets	0.30	2.18	2.48
Total Assets	32.26	11.22	43.48
Liabilities			
(a) Trade payables			
(i) Total outstanding dues to micro enterprises and small enterprises	0.19	-	0.19
(ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	0.78	-	0.78
(b) Other current liabilities	34.53	0.21	34.74
(c) Short term provisions	1.60	0.16	1.76
Total liabilities	37.10	0.37	37.47
Net Assets (A)	(4.84)	10.85	6.01
Value of investment in the books of the Company (B)	560.01	17.35	577.36
Net impact on retained earnings on account of merger (C=A-B)			(571.35)

Note: The relevant impact of merger has been taken in the accompanying financial statements and previous period numbers are not comparable as the impact of merger is considered as an adjustment to opening balance as at 1 October 2024 as per the accounting treatment prescribed under the Scheme.

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Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
50 Contingencies and commitments			
Contingent liabilities			
Income tax matters (Refer Note (a) below)	37.94	21.51	12.61
Service tax matters (Refer Note (b) below)	89.37	89.37	89.37
Value added tax matters (Refer Note (c) below)	237.60	237.60	237.60
	364.91	348.48	339.58

Note:

(a) Income tax matters

The Company had received an assessment order passed u/s. 143(3) of the Income-tax act, 1961 which inter-alia includes a sum of ₹ 44.91 being added to the income of the Company on account of income assessable u/s. 69 of the Income-tax act, 1961 representing cash deposits made during the demonetisation period (excluding SBNs held in hand as of 08 November 2016). The case was presented before the Commissioner of IT (Appeals), Chennai and the order received on 3 January 2024 was unfavourable to the Company. The Company then filed an appeal with Income Tax Appellate Tribunal on 1 February 2024, whereby the appeal filed by the Company was partly allowed for statistical purposes. The tribunal deleted the addition of income amounting to ₹ 32.63 on the non- specified bank notes and the income pertaining to specified Bank Notes ₹12.28 has been remitted back to the Assessing Officer for further verification. The Assessing Officer, vide order dated 27 March 2026, has passed a final assessment order in respect of cash deposits made in Specified Bank Notes (SBN) during the demonetization period. Pursuant to this order, the addition on account of SBN of ₹12.28 made in the earlier assessment has been deleted. However, the Assessing Officer has raised a demand towards interest of ₹5.3 under the said order. The Company, being aggrieved by the levy of interest, has filed an appeal before the appellate authority on 12 May 2026, disputing the interest demand raised.

(b) Service tax matters

The Company received an order from the office of the Commissioner of GST and central excise demanding service tax on sales by way of home delivery and take away. The details of tax demanded, action taken by the Company and present status are as follows:

Period	Amount	Status
April 2013 to June 2017	89.37	The Company has filed a writ petition before the Hon'ble High Court of Madras and high court ruled the case in the favour of the company. However, department has filed appeal against the high court order. The Company believes that it is not probable that any liability would arise on account this matter and hence there would not be any material impact on the financial position of the Company.

(c) Value added tax matters

The Company had received show cause notices from the Tamilnadu commercial taxes department proposing to charge VAT at higher rate by treating the sales made by the Company as branded sales. The details of the notices, consequential actions taken by the Company and present status are as follows:

Period	Amount	Status
April 2009 to October 2014	237.60	The Company has been granted stay by the Hon'ble High Court of Madras in respect of the aforesaid notices. The Company believes that it is not probable that any liability would arise on account this matter and hence there would not be any material impact on the financial position of the Company.

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Thalappakatti Hotels Private Limited

Summary of material accounting policies and other explanatory information

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

51 Employee stock option plan ("ESOP")

On 18 February 2021, the board of directors approved the equity settled "Employee Stock Option Plan (ESOP)" for issue of stock options to various employees (as defined in the ESOP policy) of the Company. According to the scheme, the employees are entitled to stock options as detailed in the table below. The Company has followed Ind AS 102 for accounting of share based payments under the ESOP scheme. The Company measures and recognises cost of employee stock options using the fair value.

	Loyalty Grants	Performance Grants	Exit Grants
Number of options granted	1,364,785	2,357,427	992,642
Exercise price	₹ 47.61 - ₹ 84.20	₹ 47.61 - ₹ 84.20	₹ 47.61 - ₹ 84.20
Vesting conditions	Graded vesting over period of 3-5 years subject to being in employment with the company.	Graded vesting over period of 3-5 years subject to meeting performance condition and being in employment with the company.	Achievement of controlling stake change from existing stakeholders.
Intrinsic value per option	Nil- ₹ 40.35	Nil- ₹ 40.35	Nil- ₹ 40.35
Fair value per option	₹ 78.57- ₹ 87.97	₹ 78.57- ₹ 87.97	₹ 78.57- ₹ 87.97

The details of stock options granted and outstanding are as follows:

	As at 31 March 2026	As at 31 March 2025
Outstanding at the beginning of the year	1,073,915	1,013,015
Granted during the year	-	147,000
Forfeited during the year	1,278	86,100
Exercised during the year	-	-
Outstanding at the end of the year	1,072,637	1,073,915
Exercisable at the end of the year	844,755	784,484

The guidance note on "Accounting for employee share based payments" issued by ICAI establishes financial accounting and reporting principles for employee share based payment plans. The guidance note applies to employee share based payment plans, the grant date in respect of which falls on or after 1 April 2005. The company has chosen to record compensation cost for all grants made to its employees under the intrinsic value method of accounting.

The range of exercise price and weighted average contractual life for the options outstanding

	Number of outstanding share options	Range of exercise price	Weighted average remaining contractual life
As at 31 March 2026			
ESOP plan	1,072,637	47.6 - 84.20	3.31
As at 31 March 2025			
ESOP plan	1,073,915	47.6 - 84.20	2.49

Expense arising from Employee stock option plan ("ESOP") is ₹ XX for the year ended 31 March 2026 (31 March 2025 : ₹13.28) (Refer Note XX) and ESOP liability as at 31 March 2026 is ₹ XX (31 March 2025: ₹ 49.76) (Refer Note XX).

Assumptions used in determination of the fair value of the share price as on date of grant are as follows:

	As at 31 March 2026	As at 31 March 2025
Risk free rate of return	6.55%	6.55%
Beta	0.77	0.77
Expected market return	13.70%	13.70%
Risk premium	7.15%	7.15%
Company specific risk premium	2.00%	2.00%
Cost of equity, Ke	12.08%	12.08%
Debt equity ratio	0.26:1	0.26:1
Cost of Debt Kd (Post Tax)	9.12%	9.12%
Weighted Cost of Capital (WACC)	13.06%	13.06%
Perpetuity growth rate	4.00%	4.00%

The Company has calculated fair value of option amounting to ₹ 78.56 per option using the Discounted cash flow model considering the following inputs:

Weighted average share price	₹ 78.56
Exercise price	₹ 47.61 - ₹ 84.20
Risk free rate	6.55%
Expected volatility	30.00%
Option life	2.22 years

Thalappakatti Hotels Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

52 Ratio analysis

Ratio	Numerator	Denominator	31 March 2026	31 March 2025	Variance	Reason for variance
(a) Current ratio	Current assets	Current liabilities	0.51	0.50	2.00%	NA
(b) Debt-equity ratio	Total debt	Shareholder's Funds	0.22	0.49	-55.10%	Decrease is on account of scheduled repayment of borrowings during the year together with an increase in shareholders' funds arising from profit earned during the year.
(c) Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Depreciation and amortisation + Interest	Debt service = Interest Payments + Principal Repayments	1.73	1.93	-10.36%	NA
(d) Return on equity ratio	Net profit after taxes - Preference dividend	Average Shareholders equity	0.17	0.08	100.89%	Increase is on account of a significantly higher profit after tax for the year as compared with the previous year.
(e) Inventory turnover ratio	Cost of goods sold (COGS)	Average inventory	35.19	35.29	-0.27%	NA
(f) Trade receivables turnover ratio	Sales	Average accounts receivable	325.65	341.75	-5%	NA
(g) Trade payables turnover ratio	Credit purchases	Average trade payables	9.90	9.42	5.06%	NA
(h) Net capital turnover ratio	Revenue from operations	Average working capital	(9.81)	(9.71)	1.00%	NA
(i) Net profit ratio	Profit after tax (PAT)	Revenue from operations	0.03	0.02	39.01%	Increase is on account of higher revenue from operations and improved operating margins, resulting in a higher profit after tax for the year.
(j) Return on capital employed	Earnings before interest and taxes	Capital employed (Shareholders funds+Total Debt)	0.34	0.27	25.93%	NA
(k) Return on investment	Income earned on fixed deposit investments	Average investment in fixed deposit	0.06	0.06	0.00%	NA

Notes:

- Reasons for variance has been provided for ratios that have a % change of more than 25%.
- Equity Share Capital and Reserves and surplus has been used to derive Shareholder's Equity / Average Shareholder's Equity.
- Average Shareholder's Equity, Average Trade Receivable and Average Trade Payables for the year ended 31 March 2026 have been arrived at using the average values as at 31 March 2026 and 31 March 2025 and for 31 March 2025 have been arrived at using the average values as at 31 March 2025 and 31 March 2024.
- Ratios that are not applicable to the Company has not been disclosed.

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Thalappakatti Hotels Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

(All amounts are in Indian Rupees (₹) Millions, unless otherwise stated)

53 Other statutory information

- 1 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:
 - (a) 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
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 2 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3 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.
- 4 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 5 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 6 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 7 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

54 Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies which uses accounting software for maintaining its books of account, shall use only such accounting software which have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used certain accounting software for maintaining its books of account which have the feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except for the instances mentioned below. Furthermore, except for instances mentioned below, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

The accounting software used for maintenance of certain revenue records is operated by a third-party software service provider. The Type 2 report issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization does not provide any information on existence of audit trail (edit logs) for any direct changes made at the database level. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention from 7 August 2023.

The accounting software used for maintenance of certain revenue records was operated by a third-party software service provider. Since the software was discontinued w.e.f 7 August 2023, we are unable to comment on whether the audit trail was preserved as per statutory requirements for record retention.

The audit trail feature was not enabled at the database level to log any direct data changes in the accounting software used for maintenance of accounting record by the Company.

The accounting software used for maintenance of certain accounting records is operated by a third-party software service provider. The Type 2 report issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization does not provide any information on existence of audit trail (edit logs) for any direct changes made at the database level.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For Walker Chandlok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**For and on behalf of the Board of Directors of
Thalappakatti Hotels Private Limited**

Nishant Choudhary
Partner
Membership No: 294140

Bengaluru
XX September 2026

Tarun Khanna
Director
DIN: 02306480

Delhi
XX September 2026

Nagasamy Dhanabalan
Managing Director
DIN: 03299013

Chennai
XX September 2026