

Independent Auditor's Report

To,
**The Members of
Orchid Hotels Pune Private Limited**

Report on the Ind AS financial statements

Qualified opinion

We have audited the accompanying Ind AS financial statements of **Orchid Hotels Pune Private Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for qualified opinion' section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, of the financial position of the Company as at 31st March, 2022, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for qualified opinion

Reference is invited to note 23.4 of the Ind AS financial statements which states that vide agreement dated 24th December, 2018, International Asset Reconstruction Company Private Limited (IARC) acquired the loan from M/s Asset Reconstruction Company India Limited (ARCIL) (lender to whom loan was assigned by ICICI Bank in earlier years) for an aggregate amount of Rs. 13,500.00 lakhs. As per the books of the Company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March, 2022 has not been provided in book nor has the same been quantified. Non-provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the management, no further liability is required to be accounted now considering the terms for settlement arrangement and pending execution of the definitive agreement (the modalities of which are being worked out). Further, the Company has filed a commercial suit before the District Court, Pune for performance of the obligations by IARC narrated above, which is pending.

Had the provision been made, borrowing cost for the year ended 31st March, 2022 and negative net worth as at 31st March, 2022 would increase and profit for the year ended 31st March, 2022 would decrease by the amount of interest for the period 1st October, 2013 to 31st March, 2022 which has not been provided as per the management's view mentioned above.

In respect of above matter, qualification was also given in independent auditor's report for the earlier financial years.

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



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Material uncertainty related to going concern

Reference is invited to note 45 of the Ind AS financial statements which states that the Company has incurred losses in the previous year and the Company's net worth is fully eroded and also its current liabilities exceeds the current assets as on 31st March, 2022. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in note 23.4 of the Ind AS financial statement. Considering, the improvement in performance of the Company which has resulted into profits in the current year, the limited support available from the Holding Company due to its financial constraints, considering provision for impairment of property, plant and equipment made in the earlier years and management's action to mitigate the impact of COVID-19 as described in note 46, in the opinion of the management, the financial results are prepared on going concern basis.

Our opinion is not modified in respect of above matter. In respect of above matter, attention was also drawn by us in the independent auditor's report of earlier financial years. Our conclusion was not modified in respect of above matter in earlier years also.

Emphasis of matter

- (a) Attention is invited to note 23.5 of the Ind AS financial statements in respect of dispute over lease rent levied by Director of Sports, pertaining to the period from 1st November, 2014 to 31st March, 2022. The Company has accounted for the liability amounting to Rs. 1,665.64 lakhs. Further, during earlier year, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved. Since full provision has been made, the same has not been disclosed as contingent liability.
- (b) Attention is to note 46 of the Ind AS financial statements, in respect of the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.
- (c) Attention is invited to note 12.1 of the Ind AS financial statements in respect of payment of unsecured advance by the Company of Rs. 600 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the Company holds leasehold rights. As per the terms agreed between the joint developer and the Company, the said amount would be utilized for obtaining / seeking the necessary approvals for the development of above-mentioned property. The Company has appointed a licensed architect to design, prepare plans and make the necessary applications for regulatory approvals. As on 31st March, 2022, the Joint Developer has confirmed that no significant expense has been incurred out of the advance received.

Our opinion is not modified in respect of above matters. In respect of the matter covered in paragraph (a) to (c) above, attention was also drawn by us in our independent auditor's report of earlier financial years. Our opinion was not modified in respect of above matter in earlier years also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion', 'Material Uncertainty Related to going concern' and 'Emphasis of Matter' section above, we have determined the matters described below to be the key audit matters to be communicated in our report:



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Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Adequacy of provision for impairment of Property, Plant and Equipment (PPE) in the Company</i></p> <ul style="list-style-type: none">- We refer to note 5.3 & note 5.4 of the Ind AS financial statements. The Company had provided for Impairment loss on leasehold building aggregating to Rs. 21,932.29 lakhs.- The management evaluates the indicators of impairment of the said PPE by reference to the requirements under Ind AS 36 Impairment of Assets. The recoverable amounts of the above PPE are estimated based on expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates.- The management has concluded that the recoverable amount of the said PPE is higher than its carrying amount (net of impairment) and accordingly, no further impairment provision has been recorded as at 31st March, 2022. Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such PPE as a key audit matter.	<p>We assessed the appropriateness of the carrying value of the tangible assets by performing the following audit procedures:</p> <ul style="list-style-type: none">- Assessed the valuation methodology used by management and tested the mechanical accuracy of the impairment models- Evaluated the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data.- Appraised the appropriateness of the business assumptions used by the management, such as revenue growth, profit margin, occupancy level.- Considered whether events or transactions that occurred after the Balance Sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures.- Assessed the adequacy and compliance of the disclosures made by the management in the note 5.3 & note 5.4 of the Ind AS financial statements.
<p><i>Corporate guarantee given on behalf of the Holding Company - accounting treatment</i></p> <p>Refer note 2.5(vii) and note 35(e) of Ind AS financial statement. The Company has given corporate guarantee on behalf of the Holding Company aggregating to Rs. 24,755 lakhs towards loan facilities taken from banks / others by the Holding Company. The Holding Company has incurred losses during the year. As informed by management, share of Company in this corporate guarantee is not quantifiable.</p> <p>Assessment of obligation towards the corporate guarantee and consequential recoverability has been identified as a key audit matter due to:</p> <ul style="list-style-type: none">- Significance of the carrying amount of balances.- The assessment requires management to make significant estimates concerning the estimated future cash flows, operations of the Holding Company including any possible impact arising out of the COVID-19 pandemic on these estimates.	<p>This matter is discussed with the management.</p> <ul style="list-style-type: none">- Management and those charged with governance are of the view that the Holding Company is taking appropriate steps to ensure that there are no defaults in repayments of loan from banks / other lenders. Hence, no obligation is required to be accounted out of the financial guarantee given by the Company.- We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of COVID-19 pandemic as well as the disclosures made in the Ind AS financial statements as per Ind AS 109 Financial Instruments.





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Key Audit Matter	How our audit addressed the Key Audit Matter
- Changes to any of these assumptions could lead to material changes in the estimated obligation and recoverable amounts.	

Information other than the Ind AS financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the Information Included In the Board's Report Including Annexures to Board's Report but does not include the Ind AS financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

Responsibilities of management and those charged with governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the Ind AS financial statements

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



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

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

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that
 - a) Except for the matters described in the 'Basis for qualified opinion' paragraph above, we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS financial statements.
 - b) Except of the effects of the matters described in the 'Basis for qualified opinion' paragraph above, in our opinion, proper books of account as required by law relating to preparation of aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - d) Except for the effects of the matters described in the 'Basis for qualified opinion' paragraph above which is not in accordance with Ind AS 23 – Borrowing Cost, in our opinion, the Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - e) The matters described in 'Basis for qualified opinion', 'Emphasis of matter' and 'Material uncertainty related to going concern' paragraphs above, in our opinion, may have an adverse impact on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for qualified opinion paragraph above.
 - i) During the year, there is no managerial remuneration. Hence, reporting under section 197(16) of the Act is not applicable to the Company.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the details of pending litigations and its impact on its financial position (as applicable) in the Ind AS financial statements- Refer note 23.1, 23.4, 23.5, 34.1, 34.2, 38.2(c), 38.2(d), 38.2(e).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The management has represented as mentioned in note 49 that,



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- a) no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of Ultimate Beneficiaries.
- b) no funds have been received by the Company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations given by the management contain any material mis-statement.

- v. The Company has not declared or paid dividend during the year. Hence our comments on compliance with section 123 of the Companies Act, 2013 does not arise.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W / W100149



Milan Mody

Partner

Membership No.: 103286

UDIN: 22103286AJFZJO3888

Place: Mumbai

Date: 19th May, 2022

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Chartered Accountants

Orchid Hotels Pune Private Limited

Annexure A to Independent Auditor's Report for the year ended 31st March, 2022

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

i. In respect to Property, Plant and Equipment and Intangible Assets:

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

(B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) The Property, Plant and Equipment were physically verified by the management at reasonable intervals, which, in our opinion, is reasonable. According to the information and explanation given to us, discrepancies noticed on such physical verification were not material and have been appropriately dealt in the books of accounts.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, it holds immovable properties ("buildings") that have been built on land taken on lease which are disclosed as a part of the Property, Plant and Equipment of the Company in the Ind AS financial statements. The lease agreement is in name of the Company.
- d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year. Therefore, clause (i)(d) of paragraph 3 of the Order is not applicable to the Company.
- e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, clause (i)(e) of paragraph 3 of the Order is not applicable to the Company.

ii. In respect of inventories:

- a) In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals and the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on such verification by the management, were less than 10% for each class of inventory and have been appropriately dealt with in the books of accounts.
- b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Therefore, clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

iii. In respect of investments made in, guarantee or security provided or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties by the Company:

- a) According to the information and explanation given to us, during the year the Company has not provided loans or provided any advances in nature of loans, or stood guarantee, or provided security to any other entity. Therefore, clause (iii)(a)(A), (iii)(a)(B) of paragraph 3 of the Order is not applicable to the Company.
- b) According to the information and explanations given to us, further as mentioned in the 'Key Audit Matter' paragraph and based on the audit procedures performed by us, we are of the opinion that guarantee provided by the Company in earlier years to Holding Company is not prejudicial to the Company's interest. As informed to us, the Company has not made any investment, given security or given any loan or advance in the nature of loans.
- c) According to the information and explanations given to us, the Company has not given any loans & advances in nature of loans. Therefore, clause (iii)(c), (iii)(d), (iii)(e) & (iii)(f) of paragraph 3 of the Order is not applicable to the Company.



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[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- iv. According to the information and explanation given to us, in respect of guarantee given in earlier years, the Company has complied with provisions of section 186 of the Act and section 185 of the Act is not applicable. Further, as informed to us, the Company has not made any investments, given loan or provided security to which the provisions of section 185 and 186 of the Act are applicable.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the rules framed there under. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act for the goods and services rendered by the Company. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including Income tax, duty of customs, duty of excise, cess and any other statutory dues, as applicable to the Company, during the period with the appropriate authorities except minor delays in payment provident fund, employees' state insurance, tax deducted at source, value added tax and professional tax and significant delays in payment of goods and services tax (GST). According to the information and explanation given to us and based on our examination, there are no undisputed amounts payable in respect of statutory dues outstanding for more than six months from the date they become payable except interest on ineligible input tax credit availed for which estimated provision is made and the reconciliation of which is in progress.
- (a) According to the records of the Company and information and explanations given to us, there are no statutory dues referred in clause (vii)(a) above which have not been deposited with appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Amount (Rs. in lakhs)	Nature of the dues	Financial Year to which matter pertains	Forum where dispute is pending
Maharashtra Value Added Tax Act 2002	11.02	Tax liability	2011-12	Joint Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act 2002	191.92	Tax liability	2016-17	Deputy Commissioner of Sales Tax
Maharashtra Value Added Tax Act 2002	103.86	Tax liability	2017-18	Deputy Commissioner of Sales Tax

- viii. According to the information and explanations given to us and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



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[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

ix. In respect to repayment of loan:

- a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender except following details of default:

Nature of borrowing	Name of lender	Amount not paid on due date (Rs. In lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term loans (secured)	International Asset Reconstruction Company*	17,415.31	Principal	3196 days	
		1,418.68**	Interest	3258 days	
Term loan (unsecured)	Holding Company^	19,646.40	Principal		
		4,198.16	Interest		

*Outstanding term loan and interest assigned by ICICI Bank to Asset Reconstruction Company India Limited (ARCIL) in earlier years. During the earlier year, ARCIL has assigned this loan to International Asset Reconstruction Company (IARC).

**Excluding liability not provided in the books of account (Also refer note 23.4 of the Ind AS financial statements).

^ In respect of this loan, refer note 20.1 of the Ind AS financial statements.

- b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any other lender. Therefore, clause (ix)(b) of paragraph 3 of the Order is not applicable to the Company.
- c) According to the information and explanations given to us, no term loans have been obtained by the Company. Therefore, clause (ix)(c) of paragraph 3 of the Order is not applicable to the Company.
- d) According to the information and explanations given to us, no funds have been raised on short-term basis that have been used for long-term purposes.
- e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, clause (ix)(e) and (ix)(f) of paragraph 3 of the Order is not applicable to the Company.

x. In respect of issue of shares:

- a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year ended 31st March, 2022. Therefore, clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.



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Annexure A to Independent Auditor's Report for the year ended 31st March, 2022

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- xi. In respect of Fraud:
- a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that, we have neither come across any incidence of fraud by the Company or any fraud on the Company, nor have been informed of any such case by the management.
 - b) No report under section 143(12) of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, clause (xii)(a), (xii)(b) and (xii)(c) of paragraph 3 of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 177 and Section 188 of Act and details have been disclosed in the Ind AS financial statements as required under Ind AS 24 - Related Party Disclosure, specified under section 133 of the Act (Also refer note 39 of Ind AS financial statements), read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. In respect of Internal Audit:
- a) In our opinion, the Company has internal audit system and the same needs to be strengthened by widening the scope of internal audit.
 - b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with director. Therefore, question of our comment on compliance with provisions of Section 192 of the Act does not arise.
- xvi. In respect of registration under section 45-IA of the Reserve Bank of India Act, 1934:
- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, clause (xvi)(a) of paragraph 3 of the Order is not applicable to the Company.
 - b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, clause (xvi)(b) of paragraph 3 of the Order is not applicable to the Company.
 - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company.
 - d) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Therefore, clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Orchid Hotels Pune Private Limited

Annexure A to Independent Auditor's Report for the year ended 31st March, 2022

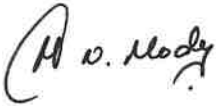
[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- xvii. According to the information and explanations given to us, the Company has not incurred any cash losses during the financial year ended 31st March, 2022. However, the Company had incurred cash losses in the immediately preceding financial year amounting to Rs. 41.25 lakhs.
- xviii. There has not been any resignation of the statutory auditors during the year. Therefore, clause (xviii) of paragraph 3 of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, the auditor's knowledge of the Board of Directors and management plans and based on the our comment in 'Material uncertainty related to going concern' paragraph, material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. However, the Ind AS financial statements are continued to be prepared on going concern basis.
- xx. In our opinion and according to information and explanation given to us, the Company is not required to comply with the provision of section 135 of Act. Therefore, clause (xx)(a) and (xx)(b) of paragraph 3 of the Order is not applicable to the Company.
- xxi. The Company is not required to prepare consolidated financial statement. Therefore, clause (xxi) of paragraph 3 of the Order is not applicable to the Company.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149



Milan Mody

Partner

Membership No. 103286

UDIN: 22103286AJFZJ03888

Place: Mumbai

Date: 19th May, 2022