

**INDEPENDENT AUDITORS' REPORT****THE MEMBERS OF PEERLESS HOTELS LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****OPINION**

We have audited the accompanying financial statements of **Peerless Hotels Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time (hereinafter referred to as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

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

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report with respect to above.



## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE 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 financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards notified under section 133 of the Act read with relevant rules, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as "the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the Annexure referred to in the paragraph above, as required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 3(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
  - e) On the basis of the written representations received from the Directors as on March 31, 2025, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2025 from being appointed as a Director in terms of section 164(2) of the Act;
  - f) With respect to the maintenance of accounts and other matters connected therewith, reference is invited to paragraph 2(b) above on reporting under section 143(3)(b) of the Act; and
  - g) With respect to the adequacy of the internal financial controls with reference to the financial statements 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 internal control with reference to the financial statements of the Company.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (other than those already recognised in the financial statements) having a material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of the applicable accounting standards and provisions of the Act- refer note no. 38(a) to the financial statements;
  - 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. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 48 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 48 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, as provided under (a) and (b) above, contain any material misstatement;
- v. As stated in note no. 45(b) to the financial statements, the dividend pertaining to the previous year has been declared and paid during the year by the Company. Further, as stated in note no. 17.11 to the financial statements, the Board of Directors of the Company has proposed a final dividend for the current year, which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Dividends declared, paid and proposed as above are in accordance with the provisions of section 123 of the Act;

- vi. Based on our examination, which included test checks, the Company has used an ERP for maintaining its books of accounts and collating the related data ("prime software") along with certain other softwares for supporting specific functions and operations ("supporting software").

The prime software incorporating all the financial and other transactions involving various operational areas and functions (except for records pertaining to property, plant and equipment and intangible assets which are being maintained manually) has the fields and tables where audit trail (edit log) has been enabled at transaction level and operated throughout the year for all relevant transactions recorded in the said software.

In the case of the supporting software used for specific functions and operations viz, invoicing and procurements, the feature for recording audit trail (edit log) facility was available at application level and maintained throughout the year for all relevant transactions.

Audit trail (edit log) with respect to the direct changes at database level has not been enabled.

The supporting software used for recording attendance of employees does not have the feature of recording audit trail (edit log).

In respect of the above softwares, where audit trail (edit log) was operative, we have, however, not come across any instance of the same being tampered with.

In respect of the above softwares, where audit trail has been enabled, relevant edit logs are being maintained as per the statutory requirements for record retention.



4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including commission to Non-Executive Directors and sitting fees) to its Directors during the current financial year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act and is not in excess of the limit laid down therein.

**For LODHA & CO LLP**

*Chartered Accountants*

**Firm's ICAI Registration No.: 301051E/ E300284**



*Indranil Chaudhuri*

**Indranil Chaudhuri**  
*(Partner)*

**Membership No.: 058940**

Place: Kolkata

Date: April 30, 2025



**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**  
**(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the members of M/s Peerless Hotels Limited)**

- i. In respect of the Company’s property, plant and equipment and intangible assets:
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment; and
  - B. The Company has maintained proper records showing full particulars of its intangible assets;
  - The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to this program, a comprehensive and detailed verification of property, plant and equipment was carried out by engaging the services of an independent firm of professionals for the purpose in the Kolkata unit in the current year and in respect of Port Blair and Hyderabad units in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - According to the information and explanations given to us and based on our examination of the relevant records of the Company, the title deeds of all immovable properties (other than properties where the Company is lessee and the lease agreements have duly been executed), as disclosed in note no. 5(a) to the financial statements, are held in the name of the Company as on the balance sheet date except for the following:

Description of property	Gross carrying amount (INR in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company
Right-of-use-Building	Nil	The lease has expired on October 13, 2024	Promoter- The Peerless General Finance & Investment Company Limited	33 years	The lease has not been renewed as on the balance sheet date [refer note no. 5(a).4 to the financial statements]

- The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable to the Company; and
  - According to the information and explanations given to us and as represented by the management, no proceeding has been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, as amended from time to time. Accordingly, reporting under clause (i)(e) of paragraph 3 of the Order is not applicable to the Company.
- ii. According to the information and explanations given to us and based on our examination of the books of accounts of the Company:
- The inventories of the Company have been physically verified by the management during the year at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its business. The discrepancies noticed on physical verification of inventories were not 10% or more in aggregate for each class of inventories and the same have been properly dealt with in the books of accounts; and



- b. The Company has not been sanctioned any working capital limits on the basis of securities of current assets at any point in time during the year. Accordingly, the reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.
- iii. The Company has made investments in market-linked debentures, mutual funds and deposits during the year. Other than this, the Company has not made any investments or provided any guarantee or security or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- a. The Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity and accordingly, reporting under clause (iii)(a) of paragraph 3 of the Order is not applicable to the Company;
- b. Based on the information and explanations provided by the Company, the aforesaid investment being made in securities at the rates prevailing at the time of investment for deploying surplus funds available from time to time, as such, are prima facie not prejudicial to the Company's interest; and
- c. The Company has not provided loans or advances in the nature of loans and accordingly, reporting under clauses (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of paragraph 3 of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the investments made. The Company has not granted any loan or provided any guarantee or security, as covered under sections 185 and 186 of the Act and accordingly, reporting in this respect is not applicable to the Company.
- v. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has neither accepted any deposit or amount deemed to be deposits from public covered under sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the services rendered by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us and based on our examination of the books of accounts:
- a. During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to it. There are no undisputed amounts in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, in arrears as at March 31, 2025 for a period of more than six months from the date they became payable; and
- b. The details of statutory dues referred to in clause (vii)(a) above, which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Employees' State Insurance Act, 1948	Employees' State Insurance	9.40	2001-2002	Employees' Insurance Court, Kolkata, West Bengal
Employees' Provident Fund Act, 1952	Provident Fund	2.76	2019	High Court Calcutta (Single Bench)





- viii. In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in the books of accounts and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and accordingly, reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix. In our opinion and on the basis of information and explanations given to us and based on our examination of the books of accounts of the Company:
- The Company has not taken any loans or other borrowings during the year, nor was any amount outstanding at the beginning of the year and accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable to the Company;
  - The Company has not been declared wilful defaulter by any bank or financial institution or any other lenders;
  - During the year, no term loan has been availed by the Company and accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable to the Company;
  - On an overall examination of the financial statements of the Company, we report that the Company has not raised any funds on a short-term basis during the year and accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable to the Company;
  - The Company does not have any subsidiary, associate or joint venture and accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable to the Company; and
  - The Company does not have any subsidiary, associate or joint venture and accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable to the Company.
- x. According to the information and explanations given to us and based on our examination of the books of accounts of the Company:
- The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company; and
  - The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year and accordingly, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.
- xi. a. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such cases by the management;
- b. According to the information and explanations given to us and based on our examination of the books and records of the Company, no report under sub-section (12) of section 143 of the Act, in Form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) has been filed with the Central Government. Accordingly, reporting under clause (xi)(b) of paragraph 3 of the Order is not applicable to the Company; and
- c. According to the information and explanations given to us and based on our examination of the books of accounts of the Company, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under clause (xi)(c) of paragraph 3 of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the Nidhi Rules, 2014, are not applicable to it. Accordingly, reporting under clauses (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 based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. The Company has appointed a firm of Chartered Accountants to carry out the internal audit of the Company. In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of its business; and  
  
b. We have considered, during the course of our audit, the reports of the internal auditor for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us and based on our examination of the books and records of the Company:
  - a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);
  - b. The Company has not conducted any non-banking financial or housing finance activities during the year;
  - c. The Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, as amended from time to time, issued by the Reserve Bank of India and accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company; and
  - d. In our opinion and based on the representation received from the management, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, as amended from time to time) and accordingly, reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.
- xvii. Based on the examination of the books of accounts, we report that the Company has not incurred cash losses in the current financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and based on the financial ratios (refer note no. 47 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidences supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our examination of the books and records of the Company, there are no unspent amount towards Corporate Social Responsibility on either ongoing projects or other than ongoing projects as stated in section 135 of the Act and accordingly, reporting under clauses (xx)(a) and (xx)(b) of paragraph 3 of the Order is not applicable to the Company.



- xxi. The reporting under clause (xxi) of paragraph 3 of the Order is not applicable to the Company in the absence of any subsidiary, associate or joint venture.

**For LODHA & CO LLP**

*Chartered Accountants*

**Firm's ICAI Registration No.: 301051E/ E300284**



*Indranil Chaudhuri*

**Indranil Chaudhuri**

*(Partner)*

**Membership No.: 058940**

Place: Kolkata

Date: April 30, 2025



**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT**  
(Referred to in point (g) of paragraph 2 under "Report on Other Legal and Regulatory Requirements"  
section of our report of even date to the members of M/s Peerless Hotels Limited)

**Report on the Internal Financial Controls with reference to the financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act")**

We have audited the internal financial controls with reference to the financial statements of **Peerless Hotels Limited** (hereinafter referred to as "the Company") as at March 31, 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred to as "the Guidance Note") issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**AUDITORS' RESPONSIBILITY**

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

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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



**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For LODHA & CO LLP***Chartered Accountants***Firm's ICAI Registration No.: 301051E/ E300284**

A handwritten signature in blue ink, appearing to read "Indranil Chaudhuri".

**Indranil Chaudhuri**  
*(Partner)***Membership No.: 058940**

Place: Kolkata

Date: April 30, 2025