



CHARTERED
ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Kaizen Hotels and Resorts Limited**

Report on the Audit of Financial Statements

1. Opinion

We have audited the accompanying financial statements of Kaizen Hotels and Resorts Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss and the statement of Cash Flow for the year then ended and a summary of significant accounting policy information and other explanatory information (hereinafter referred to as '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 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information other than the financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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 in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. 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 cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing 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 Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) 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.

6. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("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.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 impact of pending litigations on its financial position in its financial statements to the extent determinable/ascertainable (Refer Note 28).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- 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, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 Party ("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), as provided under (a) and (b) above, contain any material misstatement.

**MUKUND
M. CHITALE
& CO.**

**CHARTERED
ACCOUNTANTS**

- v. The dividend declared and paid by the Company during the year is in compliance with provisions of Section 123 of the Companies Act, 2013.

As stated in note 31 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Act, as applicable.

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

Pursuant to the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, which came into effect from April 1, 2024, and in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that, based on our audit procedures and the information and explanations provided to us, the Company has duly maintained and preserved the audit trail, as per the applicable statutory requirements for record retention. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

M. N. kale

(M. N. kale)
Partner
M. No. 103882

UDIN: 26103882TJVCGM6459

Place: Mumbai
Date: May 29, 2026

**Annexure A to the Independent Auditor's Report of even date on the financial statements of
Kaizen Hotels and Resorts Limited**

**Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of
our report of even date**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of the Property plant and equipment's. The Company has also maintained proper records showing full particulars of intangible assets.
- b) The property, plant and equipment have been physically verified by the management in a phased manner and no material discrepancies were identified on such verification. In our opinion, the frequency of physical verification adopted by the Company is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us, The Company is in the process of registering title deeds of immovable properties in the name of the Company (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee).
- d) The company has not revalued its Property Plant and Equipment during the year.
- e) No proceedings have been initiated or is pending against the company during the year for holding any benami property entered the Benami Transaction (Prohibition) Act 1988, (45 of 1988) and rules made thereunder.
- ii) a) As per the information and explanations given to us, the inventory has been physically verified by the management at regular intervals during the year. According to the information and explanation provided to us procedure of physical verification of inventories by the management is appropriate. There was no material discrepancy noticed on physical verification of inventory as compared to the book records.
- b) 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.
- iii) According to the information and explanations provided to us, the Company has not granted any loan or advance in the nature of loan, secured or unsecured to companies, Firms, limited liability partnership or any other parties Accordingly, provisions of clause (iii) (a) to (f) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations provided to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans given, Investments made, guarantees and securities given to the extent applicable.
- v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.

- vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- vii) a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Provident Fund and Tax deducted at source. There were no undisputed amounts of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess which were due for more than six months from the date they become payable as at the year end except as follows.

Name of statute	Nature of Dues	Amt in Rs.	Period to which the amount relates	Due Date
Employee Provident Fund organization	Provident Fund	4,152/-	April 2025	15 th May 2025
Employee Provident Fund organization	Provident Fund	4,213/-	May 2025	15 th June 2025
Employee Provident Fund organization	Provident Fund	197/-	June 2025	15 th July 2025
Employee's State Insurance corporation	Employee State Insurance	25/-	April 2025	15 th May 2025
Employee's State Insurance corporation	Employee State Insurance	44/-	May 2025	15 th June 2025
Employee's State Insurance corporation	Employee State Insurance	195/-	June 2025	15 th July 2025
Employee's State Insurance corporation	Employee State Insurance	125/-	July 2025	15 th August 2025
Employee's State Insurance corporation	Employee State Insurance	79/-	August 2025	15 th September 2025

b) According to the records examined by us and as per the information and explanations given to us, dues of Income Tax, Goods and Service Tax, Service Tax, Custom Duty, Excise Duty/Cess or Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute are as under:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	4,42,687	Financial Year 2015-16	Appellate Tribunal (CESTAT)
CGST Act, 2017 and WBGST Act, 2017	Goods & Service Tax	31,34,466	F.Y. 2017-18 F.Y. 2019-20 F.Y. 2020-21	Assitant Commissioner GST- Durgapur (WB)
Income Tax Act, 1961	TDS Defaults	565	Assessment Year. 2025-26	CPC, Bengaluru

- viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessment under the Income Tax Act, 1961 during the year.
- ix) a) According to information and explanations given to us, the Company has not defaulted in re-payment of dues of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) The Company has not taken any term loan, hence reporting under clause ix (c) of the order is not applicable.
- d) According to information and explanations given to us, the Company has not utilized funds raised on short term basis for long term purposes.
- e) The Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary, associates or joint ventures, hence reporting under clause ix (e) of the order is not applicable to the Company.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies, hence reporting under clause ix (f) of the order is not applicable to the Company.
- x) a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xi) (a) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given by the management, we report that no fraud by the company and no material fraud on the company has been noticed or reported during the year.
- (b) No report under sub section (12) of section 143 of the Companies Act has been filed in the form of ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the central government during the year and up to the date of this audit report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the company during the year and up to the date of this report.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, provision of clause 3 (xii) (a to c) of the order is not applicable.
- xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by applicable accounting standards.
- xiv) In respect of Internal Audit:
- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain CoR for such activities from the Reserve Bank of India.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016

- xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation by the statutory auditors of the company during the year.
- xix) According to the information and explanation given to us and on the basis of financial the ratios, aging and expected dates of realisation of financial assets and payment to 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 evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) The Company is not required to incur the CSR expenditure as per Section 135 of the Companies Act, 2013. Accordingly, reporting under clause XX (a and b) of the order is not applicable for the year.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

M. N. Kale

(M. N. Kale)
Partner
M. No. 103882
UDIN: 26103882TJVCGM6459
Place: Mumbai
Date: May 29, 2026

Annexure B to the Independent Auditor's Report of even date on the financial statements of Kaizen Hotels and Resorts Limited

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to financial statements of Kaizen Hotels and Resorts Limited ("the Company") as of March 31, 2026 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (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 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 Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over with reference to financial statements

4. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 reference to financial statements

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

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

M. N. Kale

(M. N. Kale)
Partner
M. No. 103882
UDIN: 26103882TJVCGM6459

Place: Mumbai
Date: May 29, 2026