Datta Singla & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT
To the members of Majestic Hotels Limited
CIN: U55101PB1989PLC037667

1. The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a lender against Majestic Hotels Limited on July 03, 2024 and appointed Mr. Navneet Gupta to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated under extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
2. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), powers of the BOD have been suspended and these powers are now vested with Mr. Navneet Gupta. In his capacity as the IRP from July 03, 2024 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement about initiation of CIRP was made on July 03, 2024 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code. In their 1st meeting, held on August 02, 2024, the COC confirmed Mr. Navneet Gupta, the Interim Resolution Professional (IRP) as a Resolution Professional (RP) for the Company.

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Majestic Hotels Limited ("the Company") which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Except as stated in the above paragraph on 'Basis for Qualified Opinion', In our opinion and to the best of our information and accounting to the explanation given to us, the aforesaid standalone financial statements give the information required by 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, 2025 and its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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

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Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

1. The Company had not made complete provision of interest on overdraft/term loan charged by the banks and asset reconstruction company in the Financial Statements. Had the company made such interest provision in the statement of profit and loss, the profit for the year would have been lower by Rs. 1,062.41 Lakhs hence would result in loss for the Financial Year 2024-25. The non-provision of interest is contradictory to accounting standards on borrowing costs.

2. The company had advanced Rs. 328.06 lakhs to M/S Macro Dairy Ventures Private Limited. This Company has been classified as non-performing asset and is undergoing proceedings under Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Chandigarh Bench and claim for the same has been filed by the company.

3. Confirmation of balances are not available for majority of the trade receivables, loans and advances given, trade payables, claims received from the employees and some bank balances, bank loans and FDRs as at 31st March 2025. That is why the transactions made by the banks in the accounts of the company could not be reconciled with the books of accounts of the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty to Going Concern:

As on March 31, 2025, the Company has obligations towards fund-based borrowings that are due/overdue and are payable to the Asset Reconstruction Company and also to the bank. Further, there are liabilities towards operational creditors and statutory dues. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As a result of ongoing matters, we are unable to determine as to whether any adjustment that would have been necessary and required to be made in respect of trade receivables, trade payables, borrowings, current liabilities, loans and advances and contingent liabilities as at March 31, 2025 and in respect of the corresponding possible impact of such items and associated elements on the statement for the year ended on that date, should the Company be unable to continue as a going concern. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements.

In respect of various claims, submitted by the operational creditors and other creditors of the Company to Resolution Professional (RP) pursuant to the Insolvency and Bankruptcy Board of India (insolvency resolution process for corporate persons) Regulation, 2016, that are showing differences with book balances, we are unable to comment upon the adjustments required and consequential impact on the accompanying statements.

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Emphasis of Matter:

1. We have observed that a firm of Independent Chartered Accountants nominated by the bankers has undertaken special investigation audit (forensic audit) of the Company. However, no such report has been provided to us.
2. We have not been provided with sufficient, appropriate audit evidence relating to physical verification of fixed assets/related reconciliation with the books of accounts. Pending completion of such verification/reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.
3. We have not been provided with a list of cases filed by and against the Company. Accordingly, we are unable to comment of the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we had been provided with access to that information.
4. Since financial year 2017-18 the company had availed various facilities from UV Asset Reconstructions Private Limited. The detail of these facilities is as follows:

(In Rs. Lakhs)

S.No	Name of Facility	Amount of Loan	Installment Amount	Total Installments	Repayment start date	Principle Amount Due	Remarks
1	Term Loan	1,625.00	38.69	42	Jan'2019	The total principal outstanding against all 5 loans as on date is Rs.2350.83	These loans has been classified as Non Performing Asset in March 2020 and the company had not made any provision for the interest due thereon since April 2020 in the books of accounts.
2	Term Loan	284.38	8 instalments of Rs.25 Lakhs each and last instalment of Rs.84.38 Lakh		Jan'2019		
3	Working Capital Term Loan	475.00	11.30	42	Jan'2019		
4	Working Capital Term Loan	400.00	9.52	42	Jan'2019		
5	Working Capital Term Loan	350.00	11.30	31	Dec'2019		

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5. The company had not made complete provision of interest on overdraft/term loan charged by the banks and asset reconstruction company in the Financial Statements. Therefore, it resulted in:

Particulars	Amount (in Lakhs)	Reason
Overstatement of profit for the FY 2024-25	1,062.41	FY 2024-25: Interest on overdraft from Axis Bank Ltd amounting to Rs. 11 Lakhs and interest on UVARL loan amounting to Rs.1,051.41 Lakhs
Overstatement of Reserves and Surplus	2,625.95	Interest on UVARL loan for FY 2020-21: 475.30 Lakhs FY 2021-22: 579.57 Lakhs FY 2022-23: 706.72 Lakhs FY 2023-24: 864.36 Lakhs
Understatement of Term Loans and overdraft	3,688.35	Interest on UVARL loan for FY 2020-21: 475.30 Lakhs FY 2021-22: 5,79.57 Lakhs FY 2022-23: 706.72 Lakhs FY 2023-24: 864.36 Lakhs FY 2024-25: 1,051.40 Lakhs Interest on overdraft from Axis Bank Ltd: FY 2024-25: 11.00 Lakhs

6. As a result of disposal of petition of M/s UV Asset Reconstruction Company Ltd., u/s 7 of IBC Code, 2016 the Hon. NCLT, Chandigarh bench, Chandigarh vide its order dated 03.07.2024 has admitted the petition in terms of section 7(5) of the code and Sh. Navneet Gupta was appointed as Interim Resolution Professional (IRP). He was further confirmed as the Resolution Professional (RP) on August 02, 2024. The RP has taken over the property as per directions of the Hon. NCLT and the working of the company has been taken over as per Code of Conduct. The promoters/directors of the company have filed an appeal before the Hon. NCLAT at New Delhi against this order and the Hon. NCLAT has admitted the application and ordered that no resolution plan may be presented to the Committee of Creditors. The last date of hearing in the matter was on October 10, 2025 and the Hon'ble NCLAT had reserved its order on that day.

7. The Commissioner, Service tax department has raised demand of Rs. 296.07 Lakhs for service tax, interest of Rs. 209.58 Lakhs and penalty of Rs. 296.16 Lakhs, out of which service tax of Rs. 22.21 Lakhs and interest of Rs. 7.95 Lakhs has been deposited under protest against the demand raised, the company files appeal with The Customs, Central Excise and Service Tax Appellate Tribunal, Chandigarh which is still pending and balance demand Rs. 771.65 lakhs are shown as contingent liability in note number 2.32.



8. The company is holding 59,03,360 equity shares of Rs. 10/- each of M/s Macro Dairy Ventures Private Limited and also has given a sum of Rs. 328.06 Lakhs as loan to the same company. The valuation of these shares and loan is not realizable at its face value since the company is under resolution/liquidation and the management of M/s Macro Dairy Ventures Private Limited has already been handed over to IRP.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to the Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other statutory secretarial records. This does not include the financial statements and our auditor's report thereon.

Our opinion of 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 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. Since we were not provided with the above said information and records, therefore we are unable to comment that whether there is or not any material gap between the financial records and those information and records.

Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors/ Resolution Professional is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the 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/ Resolution Professional are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of financial statement

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(ii) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained



up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

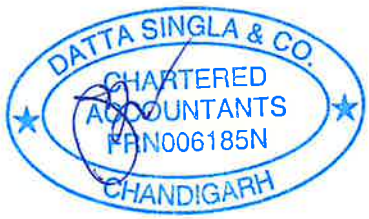
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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. 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, the Company has not kept proper books of account as required by law as far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



d. In our opinion, the previously mentioned financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. Based on the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2025 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 over financial reporting of the Company and the operating effectiveness of such controls; refer to our separate Report in "Annexure B".

g. In our opinion and to the best of our information and according to the explanations given to us, the company had not made any payment towards remuneration to its director during the financial year 2024-25 and therefore the provisions of section 197(16) of the Act do not apply to the company for the financial year 2024-25.

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, 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 – Refer Note No. 2.32 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, 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;

   (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.

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v. No dividend was declared during the year by the company.

vi. Based on our examination, which included tests checks, the company does not have an appropriate accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which has the feature of recording audit trail (edit log) facility.

3. With respect to the managerial remuneration, the provisions of section 197 read with schedule V to the act are not applicable to the company.

For Datta Singla & Co
CHARTERED ACCOUNTANTS
Firm Regn. No. 006185N

DATTA SINGLA & CO. CHARTERED ACCOUNTANTS FRN006185N CHANDIGARH

Yogesh Monga
(Partner)
M. No. 099813
UDIN: 25099813BMGY255351

Place: Chandigarh
Date: 31.10.2025

Annexure-A

Report on Other Legal and Regulatory Requirements

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2025
we report that:

(i) a) The Company has not provided us with its records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all the no fixed assets physical verification is done by the management in a phased periodical manner.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Title deeds of immovable properties are held in the name of the company.

d) The Company has not revalued its Property, Plant and Equipment during the financial year 2024-25.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company there are no proceedings initiated or are pending under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) The inventories have been physically verified during the year by the management. We have not been provided with sufficient, appropriate audit evidence relating to physical verification of inventory related reconciliation with the books of account. Pending completion of such verification/ reconciliation we cannot comment on reasonableness and adequacy of physical verification carried out by the management and unable to determine the discrepancies if any.

(iii)

a) The company is holding 59,03,360 equity shares of Rs. 10 each of Macro Dairy Ventures Private Limited and has also given a sum of Rs. 3,28,06,083/- as loan to the same company. The value of these shares and loan is not realizable at its face value since the company is under resolution/liquidation and the management of M/s Macro Dairy Ventures Private Limited has already been handed over to IRP.

b) The company has an recoverable amount of Rs. 7.00 Lakhs from the Suspended Director, Mr. Jasbir Singh Khangura. This transaction has been entered after the Hon'ble National Company Law Tribunal (NCLT) initiated the Corporate Insolvency Resolution Process (CIRP) against M/s Majestic Hotels Limited but before IRP commenced its duties.



(iv) As regards with loans given to Directors/ Body Corporates or investment made in Body Corporates, the company has not complied with the provisions of sections 185 and 186 of the Companies Act.

(v) According to information and explanations given to us, the company has not accepted any deposits from public.

(vi) The maintenance of the cost records has not been specified for the activities of the company by the Central Government u/s 148(1) of the Companies Act, 2013. Hence reporting under clause 3(vi) of the Order is not applicable.

(vii) a) The company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, income tax, cess and Value Added Tax and any other statutory dues applicable to the company with the appropriate authorities except the statutory liabilities pertaining to pre-CIRP period. The detail of the same is provided in the table below. These undisputed amounts were pending at the end of the year for a period of more than six months from the date on which they became payable.

S. No.	Description	Amount
1	ESIC Payable	85,363
2	GST Payable	90,45,950
3	Interest on GST Payable	2,63,943
4	Interest on VAT	26,476
5	Interest on Prof. Tax	1,769
6	Interest on Provident Fund	90,350
7	Provident Fund Payable	27,23,738
8	Professional Tax	68,000
9	TDS Payable	20,59,008
10	Interest on TDS	1,18,109
11	VAT Payable	8,55,821

b) There are no dues in respect of the statutory dues which have not been deposited on account of any dispute except the following:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Service Tax, Interest, Penalty	Service Tax, Interest, Penalty	771.65 Lacs	AY 2017-18	Appropriate Appellate Authority, Chandigarh	Pending Fixation
Income Tax	Income Tax	575.55 Lacs	AY 2017-18	CIT Appeals Faceless	Pending Fixation

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(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under Income Tax Act, 1961 (43 of 1961) during the year. Hence this clause is not applicable to the company.

(ix) (a) Since financial year 2017-18 the company had availed various facilities from UV Asset Reconstructions Private Limited. The detail of these facilities is as follows:

S.No	Name of Facility	Amount of Loan (In Rs. Lakhs)	Installment Amount (In Rs. Lakhs)	Total Installments	Repayment start date	Principle Amount Due	Remarks
1	Term Loan	1,625.00	38.69	42	Jan'2019	The total principal outstanding against all 5 loans as on date is Rs.2350.83	These loans has been classified as Non Performing Asset in March 2020 and the company had not made any provision for the interest due thereon since April 2020 in the books of accounts.
2	Term Loan	284.38	8 instalments of Rs.25 Lakhs each and last instalment of Rs.84.38 Lakh		Jan'2019		
3	Working Capital Term Loan	475.00	11.30	42	Jan'2019		
4	Working Capital Term Loan	400.00	9.52	42	Jan'2019		
5	Working Capital Term Loan	350.00	11.30	31	Dec'2019		

(b) The company has been declared a willful defaulter by M/s UVARCL during FY 2020-21.

(c) As a result of disposal of petition of M/s UV Asset Reconstruction Company Ltd., u/s 7 of IBC Code, 2016 the Hon. NCLT, Chandigarh bench, Chandigarh vide its order dated 03.07.2024 has admitted the petition in terms of section 7(5) of the code and Sh. Navneet Gupta was appointed as Interim Resolution Professional (IRP). He was further confirmed as the Resolution Professional (RP) on August 02, 2024. The RP has taken over the property as per directions of the Hon. NCLT and the working of the company has been taken over as per Code of Conduct. The promoters/directors of the company have filed an appeal before the Hon. NCLAT at New Delhi against this order and the Hon. NCLAT has

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admitted the application and ordered that no resolution plan may be presented to the Committee of Creditors. The last date of hearing in the matter was on October 10, 2025 and the Hon'ble NCLAT had reserved its order on that day.

(d) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year hence the reporting under this clause is not applicable.

(e) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company. However, no fresh funds have been raised on short term basis during the year by the company.

(f) According to the information and explanations given to us and an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures (as defined under the Companies Act 2013) during the year ended March 31, 2025, hence this clause is not applicable to the company.

g) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary, associates or joint venture (as defined under the Companies Act 2013), hence this clause is not applicable to the company

(x) (a) Being a closely held public limited company, it has not raised money by way of initial public offer or further public offer (including debt instruments) hence the clause 3(x)(a) of the Order is not applicable.

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

(xi) a) No fraud by the company or no fraud on the Company has been noticed or reported during the year.

b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) The establishment of whistle blower mechanism is not applicable to the company hence reporting under clause 3(xi) (c) is not applicable to the company.

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(xii) The Company is not a Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Other than the transaction amounting Rs. 7.00 Lakhs with Mr. Jasbir Singh Khangura the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) a) In our opinion and based on our examination the company does not have any internal audit system which commensurate with the size and nature of its business.

b) We were not provided with the internal audit report of the company 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 transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act 2013 are not applicable to the Company.

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

b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3 (xvi)(b) of the Order is not applicable to the Company.

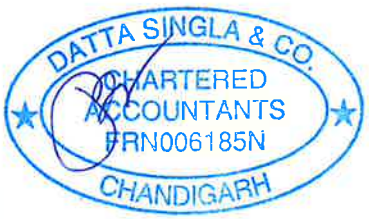
c) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3 (xvi)(c) of the Order is not applicable to the Company.

d) There is no group company /Core Investment Company. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The company has not incurred cash losses during the financial year covered by our audit but the company has suffered cash losses amounting to Rs. 10.82 Lakhs during the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

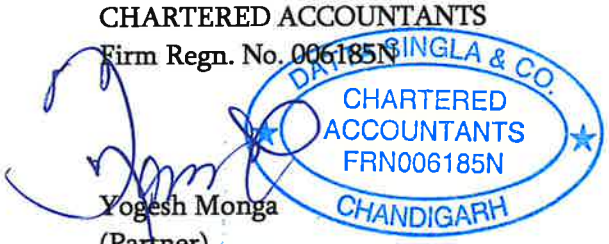
(xix) On the basis of the financial ratios disclosed in notes to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying Financial Statements, our knowledge of the Board of Directors'/Resolution Professional and management's plans and based on our examination of



the evidence supporting the assumptions, it has come to our attention, which causes believe that material uncertainty exists as on the date of the audit report that 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 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) Since the provisions of Section 135 of the Companies Act, 2013 with regard to corporate social responsibility are not applicable to the company hence clause 3(xx) of the Order is not applicable.

For Datta Singla & Co
CHARTERED ACCOUNTANTS
Firm Regn. No. 006185N



Yogesh Monga
(Partner)
M. No. 099813
UDIN: 25099813BMGY255351

Place: Chandigarh
Date: 31.10.2025

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Majestic Hotels Limited** ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the *Guidance Note on Audit of Internal Financial Controls over Financial Reporting* (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS
FRN006185N
CHANDIGARH

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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and according to the information and explanations given to us, the company does not have adequate internal financial control system based on the internal control over financial reporting 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 to commensurate with the size of company and the nature of its business. It is needed to be further strengthened.



Basis of Opinion

The Company does not have an adequate internal control system for inventory management, fixed asset management, reconciliation of GST/TDS and credit control, which could potentially result in material misstatements.

Because of this weakness, there exists a reasonable possibility that a material misstatement in the Company's financial statements may not be prevented or detected on a timely basis.

For Datta Singla & Co
CHARTERED ACCOUNTANTS
Firm Regn. No. 006185N

DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS
FRN006185N
CHANDIGARH

Yogesh Monga
(Partner)
M. No. 099813
UDIN: 25099813BMGYZ55351

Place: Chandigarh
Date: 31.10.2025