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INDEPENDENT AUDITOR'S REPORT

To the Members of
Institute of Hotel Management, Catering Technology and Applied Nutrition (Goa)
Alto Porvorim, Goa

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Institute of Hotel Management, Catering Technology and Applied Nutrition (Goa) ("the Society"), a society registered under the Societies Registration Act, 1860, which comprise the Balance Sheet as at 31st March 2026, the Income and Expenditure Account for the year then ended, and Schedules 1 to 24 forming part thereof, including a summary of significant accounting policies and other explanatory information. The financial statements incorporate the House Building / Conveyance Advance Account, the CBSP Grants Account and the Assistance to IHMs / FCIs Account of the Society, and are accompanied by the separately prepared financial statements of the Society's General Provident Fund.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in paragraph 3 and the possible effects of the matters described in paragraphs 1 and 2 of the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view, in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the accounting principles generally accepted in India, of the state of affairs of the Society as at 31st March 2026 and of its excess of income over expenditure for the year ended on that date.

Basis for Qualified Opinion

1. Capital grants: As stated in Policy 5.3(b) and Note B-3 of Schedule 24, capital grants amounting to ₹52,11,058 included in the Corpus / Capital Fund remain to be mapped to the specific assets created out of them. We were unable to obtain sufficient appropriate audit evidence regarding the allocation of this amount between the assets concerned and grant income, and consequently could not determine whether any adjustment to the Corpus / Capital Fund, the grant income recognised under AS-12, the depreciation charge and the surplus for the year is necessary. Our opinion on the financial statements for the year ended 31st March 2025 was also qualified in respect of this matter.

2. Leave encashment: As stated in Policies 6.3 and 6.5 and Note B-8(a) of Schedule 24, the Society's liability towards leave encashment has been determined on the basis described therein and not by actuarial valuation using the projected unit credit method as required by Accounting Standard 15 (Revised), Employee Benefits. No charge for the current service cost of the year has been made to the Income and Expenditure Account, the provision having been reduced only by payments of ₹17,73,590 during the year, and the Provision for Leave Encashment together with the Encashment of Leave Fund, aggregating ₹1,65,79,738, exceeds the term deposits held against them by ₹59,87,219. In the absence of an actuarial valuation we were unable to obtain sufficient appropriate audit evidence about the amount of this obligation as at 31st March 2026 and the charge for the year, and were consequently unable to determine whether any adjustment to the provision, to the surplus for the year and to Reserves and Surplus is necessary.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Society in accordance

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with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters in Schedule 24. Our opinion is not modified in respect of these matters:

1. Policy 5.3(a) of Schedule 24, which describes the correction of earlier-period grant accounting under AS-12 made in FY 2024-25 by adjusting the cumulative unrecognised grant income of ₹2,65,15,294 to opening Reserves and Surplus under AS-5, and the recognition of grant income proportionate to depreciation on grant-funded assets from that year onwards.

2. Note B-8 of Schedule 24, which sets out the position of earmarked funds and provisions against the investments identified with them, including the actuarial valuations of the gratuity and pension obligations obtained from LIC, the net unfunded pension obligation of ₹93,54,394, the excess of investments over fund balances arising from the Society's practice of crediting interest on certain fund investments to the Income and Expenditure Account, and the encashment during the year of deposits held against the Scholarship and Endowment Funds, of which ₹12,14,274 was reinvested after the year end and the balance is held pending a decision on disbursement in accordance with the donors' instructions.

Other Matter

The financial statements of the General Provident Fund of the Society for the year ended 31st March 2026, which are annexed to these financial statements, have been prepared on the basis described in Note B-2 and have been separately reported upon by us.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Managing Committee of the Society is responsible for the preparation and fair presentation of these financial statements in accordance with the aforesaid Accounting Standards and the accounting principles generally accepted in India, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so. The Managing Committee is also responsible for overseeing the Society's financial reporting process.

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 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 scepticism 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

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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, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- 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 Society'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 Society 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.

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

As required by the Goa, Daman and Diu Societies Registration Rules, 1980, we enclose in the Annexure a statement on the matters specified in Rule 10(1), to the extent applicable.

For Venkatesh Shenai and Associates
Chartered Accountants
FRN 135678W

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CA Sailee Shenai
Partner
M. No. 611779
UDIN: 26611779QLQFTC3274
Place: Mapusa, Goa
Date: 21.09.2026

ANNEXURE "A" REFERRED TO UNDER SUB TITLE OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

STATEMENT ON MATTERS SPECIFIED IN RULE 10(1) OF THE SOCIETIES REGISTRATION (GOA, DAMAN & DIU) RULES ,1980

a. The accounts are maintained regularly and in accordance with the provision of the Act and the rules;
b. Receipt and disbursement are properly and correctly shown in accounts subjected to qualification descried in qualified opinion paragraph;
c. The vouchers are in the custody of the Principle, Accountant and Accounts Clerk on the date of the audit were in agreement with the accounts;
d. All books, deeds, accounts, vouchers, or other records required by us were produced;
e. The society has maintained inventory of the movable duly certified by Principle, HOD of respective department and Accountant;
f. The accountant or any other person required to appear before us did so and furnished the necessary information required;
g. Property and funds of the society were not applied for any object or purpose other than the object or purpose of the society subjected to qualification descried in qualified opinion paragraph;
h. All expenditure incurred on behalf of the society has been sanctioned from time to time by governing body or any other person or person authorized to do so under the rules and regulation of the society;
i. In accordance with the procurement guidelines, all expenditures are primarily carried out through the Government e-Marketplace (GeM) portal. If the necessary items or services are unavailable on the GeM portal, quotation are invited for expenditures up to INR 2,00,000 For Expenditures exceeding INR 2,00,000, e-tenders are invited.

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