

AUDITOR'S REPORT

**Independent Auditor's Report on Consolidated Financial Statements
To the Members
M/s Hotel Rugby Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hotel Rugby Limited (the "company"), and its subsidiaries (collectively referred to as "the Group") which comprises the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the financial position, Consolidated financial performance and Consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- In the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Matters

- We conducted audit of the financial statements of subsidiary company referred in 6(a) of notes to accounts, we conducted audit of their respective financial statements for the year ended 31st March 2012, whose financial statements reflect total assets of Rs. 9,78,03,789/- as at 31st March 2012 and total revenue of Rs.3,11,50,619 /- for the year ended 31st March 2012.
- We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS-21), Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Hotel Rugby Limited and its subsidiaries included in the consolidated financial statements and on the basis of assumption as narrated in the notes to consolidated accounts.
- On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Hotel Rugby Limited and its aforesaid subsidiaries and **Subject to assumptions and the basis of consolidation for peculiar items as disclosed in notes to accounts and subject to qualification in the audit report which are not repeated and reproduced herewith on audited financial statement of Hotel Rugby Limited and subject to further qualification of the Subsidiary Polar Finance Limited as below:**

SR.NO.	PARTICULARS
1	Note No.26 of notes to accounts regarding company's accounts are prepared on going concern concept
2	The company has not complied with AS - 3 (Cash flow Statement)

For R. Kabra & Co.
Chartered Accountants
(Registration No.104502W)

(Deepa Rathi)
Partner
M. Ship No.104808
FRN : 104502W
Place: Mumbai
Date: May 23, 2013

