

Annexure VII to Clause 41

**When an Unqualified Opinion is Expressed on the Quarterly Financial Results  
(for companies other than banks)**  
Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company  
Pursuant to the Clause 41 of the Listing Agreement

To the Board of Directors,  
The Benares Hotels Limited,  
VARANASI-221002

We have audited the financial results of The Benares Hotels Limited, for the quarter ended 31<sup>st</sup> December, 2011 and the year to date results for the period from 1<sup>st</sup> April 2011 to 31<sup>st</sup> December, 2011, attached herewith, being submitted by the company pursuant to the requirements of Clause 41 of the Listing agreement except for the disclosures regarding Public Shareholding and Promoter and Promoter Group Shareholdings which have been traced from the disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards (AS) 25, Interim Financial Reporting, issued pursuant to the companies (Accounting Standard) Rules, 2006 as per section 211(3C) of the Companies Act 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and explanations given to us these quarterly financial results and the year to date results that –

- Are presented in accordance with the clause 41 of the listing agreement and
- Give a true view of the net profit and other financial information for the quarter ended 31<sup>st</sup> December, 2011 as well as the year to date results for the period from 1<sup>st</sup> April 2011 to 31<sup>st</sup> December 2011.

Place: Mumbai  
Date: 7<sup>th</sup> February, 2012

For N. Krishnaswamy & Co.,  
Chartered Accountants,

N. Krishnaswamy  
Partner - 00479751

FIRM NO. 01555-

