

AUDITOR'S REPORT

TO THE MEMBERS OF **HOTEL RUGBY LIMITED**

1. We have audited the attached Balance Sheet of **HOTEL RUGBY LIMITED** as at 31st March 2012 and its Profit & Loss Account and the Cash Flow Statement for the year ended on that date attached thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 statement. 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. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 & its amendments thereto, we enclose herewith in the annexure a statement on the matter specified therein.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - (a) We have 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 appears from our examination of the books;
 - (c) The Balance Sheet, the Profit and Loss account and the Cash Flow Statement referred to in this report are in agreement with the books of account;
 - (d) In our opinion, the profit and loss account, the balance sheet and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956;
 - (e) According to information and explanations given to us and on the basis of written representations from the Directors of the company, taken on record by the Board Of Directors, **three Directors of the company are disqualified from being appointed as a Director of the company under section 274 (1) (g) of the Companies Act, 1956 as at 31st March, 2012 (since two of the subsidiaries (Public Companies) where they are directors have earlier not filed the annual accounts and annual return for continuous previous three financial years which were filed delayed subsequent to the due date and the disqualification continues for a period of five years since the year ended 31st March 2009)**



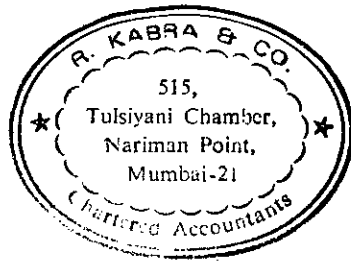
(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, **subject to :**

SR.NO.	PARTICULARS
1	Note 16 regarding major fixed assets are sold during the previous years and accounts are prepared on going concern concept.
2	Note 1 for share capital regarding equity share issued for consideration other than cash and note 6 for investments including non- verification.

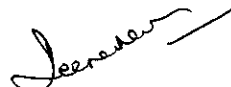
give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) In the case of Balance Sheet, of the State of Affairs of the company as at 31st March, 2012.
- b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : MUMBAI
Date : 30.05.2012



For R.KABRA & Co.
Chartered Accountants


Deepa Rathi
Partner
M No : 104808
Firm Reg.No.104502W

Auditors' Report

Auditor's Report on Consolidated Financial Statements

1. We have examined the attached consolidated Balance Sheet of Hotel Rugby Limited and its Subsidiaries as at 31st March, 2012 and the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year then ended.
2. These financial statements are the responsibility of the management of Hotel Rugby Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We conducted audit of the financial statements of subsidiary company referred in 6(a) and 6(b) 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.1,63,21,544/- as at 31st March 2012 and total revenue of Rs.79,54,997/- for the year ended 31st March 2012.
4. 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.
5. 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 Subsidiaries Jai Thackers Land Development Limited as below;**



SR. NO	PARTICULARS
1	Note No.12 of notes to accounts of its balance sheet regarding company's accounts are prepared on going concern concept
2	The company has not complied with AS - 3 (Cash flow Statement)
3	Note No.6 of notes to accounts of its balance sheet being balance subject to confirmation in joint venture.

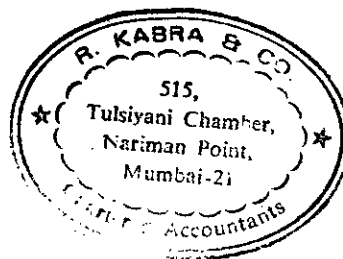
and the further qualification of the subsidiaries Polar Finance Limited as below;

SR.NO.	PARTICULARS
1	Note No.14 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)

6. We are of the opinion that :

- a) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Hotel Rugby Limited and its subsidiaries as at 31st March, 2012;
- b) The Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of Hotel Rugby Limited and its subsidiaries for the year then ended; and.
- c) The Consolidated Cash Flow statements give a true and fair view of the consolidated cash flows of Hotel Rugby Limited and its subsidiaries for the year then ended.

Place : MUMBAI
Date : 30.05.2012



For R. KABRA & CO.
Chartered Accountants

Deepa

Deepa Rathi
Partner

M.No: 104808

Firm Reg. No.104502W