



POLO HOTELS LIMITED

ANNUAL REPORT
2016-2017

OWNER OF
HOTEL NORTH PARK, PANCHKULA

Director	:	Sh. A.R. Dahiya, Chairman Sh. Amardeep Dahiya, Managing Director Sh. Devinder Singh Jain Sh. Gurmukh Singh Sh. Vikash Tibrewal Sh. Manbeer Choudhary Smt. Prem Dahiya Sh. Gurpreet Singh Toor
Auditors	:	M/s Ashwani K. Gupta & Associates Chartered Accountants H.No. 1044-A, Sector-2 Panchkula
Bankers	:	Allahabad Bank, Sector-11, Panchkula Religare Finvest Ltd., Chandigarh
Registered Office	:	Hotel North Park Village: Chowki, Sec-32, Panchkula (Haryana)
Hotel	:	Hotel North Park Near Ghaggar Bridge, Panchkula (Haryana)

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NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the members of the Company will be held on Monday, 25th September, 2017 at 10.00 A.M. at the Registered office of the Company held at Hotel North Park, Village Chowki, Post Office - Devi Nagar, Sector 32, Panchkula – 134108 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Abhey Ram Dahiya (DIN 00205496), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vikas Tibrewal (DIN 00645051) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Prem Dahiya (DIN 00795025) who retires by rotation and, being eligible, offers himself for re-appointment.

5. Appointment of Auditors of the company:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Datta Singla & Co., Chartered Accountants, Chandigarh (FRN006185N); subject to the approval of the members of the company in the forthcoming Annual General Meeting be and are hereby appointed as Statutory Auditors of the Company as recommended by Audit committee for a term of five years to hold office from the conclusion of this forthcoming annual general meeting till the conclusion of the 38th annual general meeting, subject to ratification by shareholders at each annual general meeting to be held hereafter, at remuneration to be decided by the Board of Directors of the Company from time to time.”

6. TO REGULARISE MR. GURPREET SINGH TOOR AS DIRECTOR OF THE COMPANY

Mr. Gurpreet Singh Toor (DIN: 07753943), who was appointed as an Additional Director of the company with effect from 14th March ,2017, by the Board of Directors and who Holds office up to the date of this Annual General Meeting of the company under section 161 of the companies Act,2013, but who is eligible for appointment and in respect of whom the company has received a notice in writing under section 160 of the company Act,2013 along with the prescribed deposit from a Member proposing her candidature, for the office of Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

RESOLVED THAT pursuant to provision of Section 161 the Companies Act, 2013, Mr. Gurpreet Singh Toor (DIN: 07753943) who was appointed as an Additional Director with effect from 14th March ,2017 on the Board of the Company, be and is hereby appointed as the Director of the Company.”

“**RESOLVED FURTHER THAT** any of the Director of the Company be and is hereby authorized to file necessary eForm with the Registrar of Companies in this regard.”

7. TO APPOINT MR. GURPREET SINGH TOOR AS INDEPENDENT DIRECTOR OF THE COMPANY

The Chairman informed the Board that, the company intends to appoint Mr. Gurpreet Singh Toor (DIN: 07753943) as an Independent director of the company . Then the board passed the following resolution:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152 read with Schedule IV and the Companies (Appointment and qualification of Director) Rules,2014 and all other applicable provisions, if any, of the Companies Act,2013 ("Act") as amended from time to time and Clause 49 of the Listing Agreement, Mr. Gurpreet Singh Toor (DIN: 07753943), a non-executive director of the company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 14th March, 2017 for a term of 5 years until the conclusion of the 38th Annual general meeting of the company”

Registered Office:

Hotel North Park Village Chowki,
Near Ghaggar Bridge Sector-32,
Panchkula - 134109.

Date:- 21st August 2017

Place:- Panchkula.

**By order of the Board
For Polo Hotels Limited**

**Amardeep Dahiya
Managing Director
DIN 00468413**

**EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102
OF THE COMPANIES ACT, 2013****ITEM NO. 5 & 6**

The Board of Directors appointed Mr. Gurpreet Singh Toor as Additional Director of the Company with effect from 14th March, 2017 pursuant to the provisions of section 260 of companies Act, 1956 and Articles of Association of the company. In terms of section 161 of the company, but is eligible for appointment as Director. The Company has received a received a notice pursuant to section 160 of the Act, from a member proposing her candidature for the office of Director of the Company at the forthcoming Annual General Meeting of the company. The Board recommends to the Members his appointment as Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gurpreet Singh Toor as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gurpreet Singh Toor as an Independent Director, for the approval by the shareholders of the Company.

Biodata of Mr. Gurpreet Singh Toor:

Mr. Gurpreet Singh Toor holds Master degree in sociology.

Experience: - He brings with him over 5 Years of experience as a recognized thought leader to consumer facing companies looking to build large scale, profitable business in emerging markets.

Mr. Gurpreet Singh Toor is a Non-Executive Director and considered as independent under clause 49 of the Listing Agreement.

As per the provisions of the section 149 of the Act which has come into force with effect from April 1st, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Gurpreet Singh Toor has given a declaration to the Board that he meets the criteria of independence as provide under section 149 (6) of the Act.

The matter regarding appointment of Mr. Gurpreet Singh Toor as Independent Director was placed before the Nomination and Remuneration Committee, Which commends his appointment as an independent Director up to 13th March, 2022.

In the opinion of the Board, he fulfills the conditions specified in the Act, and the Rules made there under for appointment as Independent Director and are independent of the management.

In the compliance with the provision of section 149 read with the schedule IV of the Act, the appointment of Mr. Gurpreet Singh Toor is now being placed before the Members in general meeting for their approval.

The terms and conditions of his appointment shall open for inspection by the Members at the Registered Office during normal business hours on any working day of the company.

Mr. Gurpreet Singh Toor may be deemed to be concerned and interested in Item Nos. 5 & 6 as it relates to his appointment as Director and Independent Director, respectively of the Company. Other than Mr. Gurpreet Singh Toor, none of the other Directors, key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at item Nos. 5 & 6 of the Notice.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Transfer Books of the Company will be closed from September 22, 2017 to September 25, 2017 (both days inclusive).

3. Members are requested to bring their copies of Annual Report and admission slip to the meeting.
4. Members are requested to notify to the company immediately change in their address, if any.
5. Members having any queries relating to the annual report are requested to write to the company at least seven days before the date of Annual General Meeting, so as to enable the Management to keep the information ready.
6. M/s Link Intime India Pvt. Ltd., 44, Community Centre, Near PVR Cinema, Nariana Industrial Area, Phase-I, New Delhi-110028 have been appointed as Demat Registrar and Share Transfer Agent of the Company.
7. The Notice of the AGM along with the Annual Report 2016-2017 is being sent by electronic mode to those Members whose e- mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
8. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with M/s Link Intime India Pvt. Ltd., / Depositories.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under and the clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e- voting is / are deemed to have been passed as if they have been passed at the AGM.

Registered Office:

Hotel North Park Village Chowki,
Near Ghaggar Bridge Sector-32,
Panchkula - 134109.

Date:- 21st August 2017

Place:- Panchkula.

**By order of the Board
For Polo Hotels Limited**

**Amardeep Dahiya
Managing Director
DIN 00468413**

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

PARTICULARS	MR. ABHEY RAM DAHIYA	MR. VIKAS TIBREWAL	SMT. PREM DAHIYA
Date of Birth	01-06-1943	15-08-1964	28-01-1945
Date of Appointment	30-09-2014	30-09-2014	27-06-2014
Qualifications	ENGINEER	GRADUATE	GRAUDATE
Expertise in specific functional areas	BUSINESS	BUSINESS	MATRIC
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. ARD Polypacks Pvt Ltd. 2. Auto Brakes Pvt Ltd.	NIL	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.		NIL	NIL
Number of shares held in the company AS ON 31.03.2017	LISTED 46,12,217 UNLISTED 62,22,222 TOTAL 1,08,34,439	NIL	NIL

DIRECTORS REPORT

To
The Members
Polo Hotels Limited.

Your Directors have pleasure in submitting their 33rd Annual Report together with audited accounts for the year ended on 31st March, 2017.

Financial Results

PARTICULARS	Financial Year Ending on 31.03.2017 (Rs. In Lacs)	Financial Year Ending on 31.03.2016 (Rs. In Lacs)
Gross Income	175.15	119.64
Profit before Interest, Dep. & Tax	35.44	33.91
Interest	19.01	24.14
Profit/ (Loss) before Depreciation & Tax	16.43	9.77
Depreciation for the year	14.36	6.44
Net Profit/ (Loss) for the year	2.07	3.33
Provision for Tax	0.39	0.68
Net Profit/ (Loss) for the year	1.68	2.65
Loss brought forward	46.24	48.89
Total loss carried to balance sheet	44.56	46.24

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 1.68 to the general reserve out of the amount available for appropriation

OPERATIONS

The company is running The Hotel North Park owned by the Company achieved turnover of Rs. 175.15/- Lakhs during the year and there was profit for Rs 2.07/- lakhs. Your directors are in hope for good turnover and good profits for the upcoming year.

FIXED DEPOSITS

We have not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Company has not entered into Contracts or Arrangements with Related Parties and thus Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 are not appended to this Report of Directors.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In terms of the provisions of Clause 49 of the Listing Agreement, the Management's discussion and analysis is set out in this Annual Report.

PARTICULARS OF EMPLOYEES

During the year under consideration and during this Financial Year, there are no employees in receipt of remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, as stated under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and thus no separate Statement is being annexed to the Board's report.

CORPORATE GOVERNANCE

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Polo Hotels Limited, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

During the Year under consideration, we continue to benchmark our corporate governance policies with its best. We also comply with the Securities and Exchange Board of India (SEBI)'s guidelines on corporate governance. We have documented our internal policies on corporate governance. Several aspects of the Regulations, such as the Whistleblower Policy and Code of Conduct and Ethics, have been incorporated into our policies. Our Corporate governance report for fiscal 2017 forms part of this Annual Report.

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage.

NUMBER OF MEETINGS OF THE BOARD

The Board met 8 (Eight) times during the financial year dated 13th May 2016, 30th May 2016, 13th August, 2016, 20th August 2016, 14th November, 2016, 9th December 2016, 14th February 2017 and 14th March, 2017. The details of which are given in the Corporate governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2017, the Board consists of 8 members, 5 (Five) of whom are Independent directors, and 3 (Three) are non-independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

BOARD EVALUATION

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report section in this Annual Report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

MANAGEMENT COMMENTS ON AUDITOR'S QUALIFICATION**Qualification No:- 1.**

Change in useful lives was taken on the basis of the Technical Estimates taken in regard to future compliance into IND AS , Which shall be applicable from next financial year.

Qualification No:- 2.

Due to financial constraints ,the company could not obtain actuarial valuation.

TRAINING OF INDEPENDENT DIRECTORS

Every new independent director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, software delivery, organization structure, finance, human resources, technology, quality, facilities and risk management.

RE-APPOINTMENTS

As per the provisions of the Companies Act 2013, Mr. Abhey Ram Dahiya (DIN 00205496) retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

Sh. Abhey Ram Dahiya, Director of the company is managing the affairs of the company and rendering his services as Director of the company since 1999.

The Board recommends the re-appointment of Mr. Abhey Ram Dahiya (DIN 00205496).

As per the provisions of the Companies Act 2013, Smt. Prem Dahiya (DIN 00795025) retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends her re-appointment.

Smt. Prem Dahiya, Director of the company is managing the affairs of the company and rendering her services as Director of the company since June 2014

The Board recommends the re-appointment of Smt. Prem Dahiya (DIN 00795025).

As per the provisions of the Companies Act 2013, Mr. Vikas Tibrewal (DIN 00645051) retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

Mr. Vikas Tibrewal, Director of the company is managing the affairs of the company and rendering his services as Director of the company since 2004

The Board recommends the re-appointment of Mr. Vikas Tibrewal (DIN 00645051)

COMMITTEES OF THE BOARD

Currently, the Board has 3 (Three) committees namely the audit committee, nomination and remuneration committee, and stakeholders relationship committee. All committees, except the corporate social responsibility committee, consist entirely of independent directors.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3) (C) OF THE COMPANIES ACT, 2013

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

There are no material departures from prescribed accounting standards in the adoption of these standards.

The directors confirm that :

- In preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- The directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors have laid down internal financial controls, which are adequate and are operating effectively.

- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the auditors' certificate on corporate governance is enclosed to the Board's report.

STATUTORY AUDITORS

M/s Datta Singla & Co. Chartered Accountants, Chandigarh FRN No. 006185N has been appointed as Statutory Auditors for a term of 5 Years to hold office from the conclusion of this forthcoming AGM till the conclusion of the 38th Annual General Meeting. The Audit committee and the board recommends the appointment of M/s Datta Singla & Co., Chartered Accountants, Haryana having FRN : 006185N, as Statutory Auditors of the company for the financial year 2017-18.

SECRETARIAL AUDITOR

Mrs. Sneha Kanitkar of Kanitkars & Associates, Practicing Company Secretaries, Mumbai was appointed to conduct the secretarial audit of the Company for the financial year 2016–17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2016–17 forms part of the Annual Report as to the Board's report.

Mrs. Sneha Kanitkar of Kanitkars & Associates, Practicing Company Secretaries, Mumbai are reappointed as Secretarial Auditor of the Company for the financial year 2017–18.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended to the Board's report.

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

ENERGY, CONSERVATION AND TECHNOLOGY ABSORPTION

Not applicable, because the company is not a manufacturing company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Nil, because your company has neither earned any foreign exchange nor it has incurred any expenditure in foreign exchange during the year under report.

ACKNOWLEDGMENTS

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. We also thank all associated agencies for their support, and look forward to their continued support in the future.

Registered Office:

Hotel North Park Village Chowki,
Near Ghaggar Bridge Sector-32,
Panchkula - 134109.

**By Order of the Board of Directors
For Polo Hotels Limited**

Date:- 21st August 2017
Place:- Panchkula.

**Amardeep S. Dahiya
Managing Director
DIN 00468413**

**Abhey Ram Dahiya
Chairman
DIN 00205496**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(This Part to be reviewed and altered considering Current Market Analysis)

The trends in the Hotel and Hospitality industry in Panchkula are mixed. While on one overall size of the market has increased but competition has increased as one new hotel and several restaurant and banquet halls have come up in the territory. The increase in size of the market provides an opportunity while the competition is of course a threat and adequate measures for maintaining the clientele is required.

The construction of new 3 Star Hotel on the above said Land has been stalled due to shortage of funds.

Hospitality Industry Overview-

Travel & Tourism is an important economic activity in most countries around the world. With its backward and forward linkages with other sectors of the economy like transport, construction, handicrafts, manufacturing, horticulture, agriculture, etc., tourism has the potential to not only be the economy driver, but also become an effective tool for poverty alleviation and ensuring growth with equity.

Healthcare Industry Overview-

The health sector in India is characterized by a government sector that provides publicly financed and managed curative, preventive and promotive health services from primary to tertiary level throughout the country free of cost to the people and a fee-levying private sector that plays a dominant role in the provisioning of curative care.

Chandigarh 'Tri city' Micro Market Overview

Chandigarh Tri-City real estate market has witnessed unprecedented growth over the last few years. Within the last two years it has witnessed enormous development in relation to real estate in both commercial and residential segments. Chandigarh and the surrounding areas are becoming most important destination for the developers, investors and end users looking to invest in Tier II cities. Developers have launched their projects around the city in areas like Kharar, Zirakpur, Baddi, Dera Bassi, Panchkula and Mohali.

The residential sector is also showing a great amount of activity around the city. Demand for residential colonies is both investment and residential driven. Several residential blocks are coming up in the outskirts of the city. Major among these are sector grids of Mohali, Kharar Road and Zirakpur.

Projects like Parsvnath Greens in Dera Bassi, Parsvnath Royale in Panchkula, Uppal's Marble Arch in Mani Majra, Ansals Golf Links in Mohali, Omaxe Greens in Dera Bassi, Emaar MGF in Mohali are in various stages of development. These projects are coming in the suburban areas of Chandigarh due to land exhaustion in the city and very limited options with exorbitant prices.

Strategic Advantage of Tri City

- Mohali and Panchkula, along with Chandigarh the capital of Punjab and Haryana have a growing commercial market.
- The Tri city has wide public parks, vibrant markets and lakes, which contribute to the high standard of living in the region
- The tri city also enjoys the geographical advantage of being close to the National Capital Region (NCR)
- Tri- City is in close proximity with some of the beautiful hills like Kalka, Pinjore, Kasauli, Shimla, Chail, Morni, Nahan

Chandigarh Tri City Potential Business Market

- Highest per capita income – Thrice the national average
- Rank 1st In the Human Development Index of the country
- Ranked 7th in the list of top 50 centers for outsourcing in the world
- Ranked 7th in terms of FDI inflow into India's cities
- Chandigarh has four 5-star hotels- the Taj Chandigarh, Parkview, Mountview and JW Marriott has also recently opened. Apart

from these, there are a number of smaller hotels of fair quality including Shivalik view, Hotel Piccadily, Sunbeam and Maya Palace.

- The hotels primarily cater to corporate clientele visiting Chandigarh and the neighboring Baddi Industrial Area. The primary sectors that make up the corporate clientele include Pharma, IT, Legal, Real Estate and Telecommunications. There has been a significant increase in the number of business travelers from the IT and Pharma sector over the last few years with Chandigarh being positioned as the next big IT city with a number of medical developments.
- With an international airport coming up at Mohali and major sports events such as those of Indian Premier League (IPL) taking place in the vicinity, the hospitality industry is euphoric and it is felt that the need for both budget and premium hotels is immense. Major hotel chains are moving in to tap the hospitality boom in Chandigarh. Carlson Hotels Worldwide Asia Pacific is setting up a hotel at Zirakpur, Sarovar Hotels, in synergy with James Plaza, is coming with James Park Plaza (five-star) which will come up adjacent to the existing Taj Chandigarh. Other big players from the hospitality sector, such as the Oberois and ITC have also shown interest in setting up hotels in Chandigarh.
- Though there are a number of planned hospitality developments in the vicinity of Panchkula. However, the hospitality industry in Panchkula is still in its nascent stage, with an absence of branded and quality hotels in the area.

Location of the Project

- i) The subject property is located in vicinity of Sector 2, 4, 6, 25, 26, etc., established residential hubs towards the north eastern suburbs of Panchkula city. Further, the subject property forms part of Devinagar-Chowki village micro market, located off Zirakpur-Shimla Highway (NH-22) and Panchkula-Dehradun Highway (NH-73) along the banks of River Ghaggar. It is located diagonally opposite Panchkula Technology Park Sector 22 (viz. proposed IT/ITes hub of Panchkula). The area in which the subject site is located is primarily characterized by residential activity, comprising of independent dwelling units as well as proposed IT / ITes developments.
- ii) The subject micro market is characteristic by the presence of North Park (subject property), Bella Vista, KC Royal Park, Fort Ramgarh, etc. in business and premium category. The subject region has witnessed demand for quality accommodation catering to mainly government employees, business travelers (IT/ITES & Non IT segment) and tourist.
- iii) The site is accessible from an existing two lane metalled road (viz. approximately 80 ft wide, Sector 32 central spine road as per the Development Plan of Panchkula Extension). The property has a frontage of approx 566 ft on the said road.

SEGMENTWISE OR PRODUCT WISE PERFORMANCE

The company's only venture Hotel North Park has been given on lease, Hence no segment wise reporting is required.

Registered Office:

Hotel North Park Village Chowki,
Near Ghaggar Bridge Sector-32,
Panchkula - 134109.

Date:- 21st August 2017

Place:- Panchkula.

**By Order of the Board of Directors
For Polo Hotels Limited**

**Amardeep S. Dahiya
Managing Director
DIN 00468413**

Form No. MGT-9

(As on the Financial Year ended on 31st March, 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014]**REGISTRATION AND OTHER DETAILS:**

i)	CIN	L55101HR1994PLC032355
ii)	Registration Date	15th July, 1994
iii)	Name of the Company	Polo Hotels Limited
iv)	Category / Sub-Category of the Company	Public Limited Listed Company
v)	Address of the Registered Office and contact details :	Polo Hotels Ltd. Hotel North Park, Village Chowki, Post Office – Devi Nagar, Sector 32, Panchkula - 134108 Tel: 9041953535, 9041963636 E-mail : polohotel@gmail.com www.polohotelsltd.com
vi)	Whether listed company :	Yes
vii)	Name, Address and contact details of : Registrar and Transfer Agent, if any :	M/s. LINK INTIME INDIA PVT. LTD. Add:- 44, Community Center, 2nd Floor, Nariana Industrial Area, Phase-I, Near PVR Naraina, New Delhi 110028 Tel. 011-41410592- 94

PRINCIPAL BUSINESS ACTIVITIES OF THE

COMPANY Name and Description of

Products :- Hotel Industry

NIC Code of Product:- 55

DETAILS OF ASSOCIATE COMPANY [SECTION 2(6)] :-

Sr. No.	Name of the Associate Company	CIN Of the Company
1.	ARD Polypacks Private Limited	U25209CH1985PTC006340
2.	Auto Brakes Private Limited	U34300CH1981PTC033901
3.	Sarva Promoters and Developers Private Limited	U70100HR2006PTC048672
4.	Sarva Educational Institute Private Limited	U80301HR2006PTC036395
5.	S.A Agro Farms Private Limited	U01400MH2000PTC128142
6.	ASD Tobacco Private Limited	U16003HR2013PTC050918

REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company believes in conducting its affair in a fair, transparent and professional manner and in maintaining the highest ethical standards in its dealings with all its constituents. The vision of the company is to be a financially sound, profitable, growth oriented company committed to building and maximizing sustainable value for all the shareholders. In its endeavor to attain the goal visualized, the company is laying maximum emphasis on the effective system of Corporate Governance.

2. BOARD OF DIRECTORS COMPOSITION

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management Committee of the Company is headed by the Chairman of the Company and has business / functional heads as its members, which look after the management of the day-to-day affairs of the Company.

The Board comprises such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. As on date of this report, the Board of Directors consists of 8 members comprising of 5 (Five) Independent Directors and 3 (Three) Non- Independent Directors. The Chairman of the company is non-executive.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The positions of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals, where the Chairman of the Board is a Non-Executive Director.

The meeting of the Board of Directors is held at periodical intervals. The meeting dates are decided well in advance and the agenda papers are circulated sufficiently in advance to the directors. The directors have access to all the information about the company and can suggest for inclusion of any other matter in the agenda for discussion at the Board meetings.

COMPOSITION AND DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S)/CHAIRMANSHIP(S) AS ON 31ST MARCH, 2017:

Sr. No.	Name of Director	Designation	Category	Number of other Directorship	Total Number of Membership(s) in other board committees (*)	Number of chairmanship(s) in other board committees(*)
1	Sh. A.R.Dahiya	Chairman	Non Executive	2	-	-
2	Sh. Amardeep Singh Dahiya	Managing Director	Executive	4	-	-
3	Sh. Devinder Jain	Director	Independent Non Executive	-	-	-
4	Sh. Gurmukh Singh	Director	Independent Non Executive	2	-	-
5	Sh. Vikas Tibrewal	Director	Independent Non Executive	-	-	-
6	Sh. Manbeer Chaudhary	Director	Independent Non Executive	2	-	-
7	Smt. Prem Dahiya	Director	Independent Non Executive	-	-	-
8	Sh. Gurpreet Singh Toor	Director	Independent Non Executive	-	-	-

*This includes chairmanships/ memberships of audit committees, shareholders grievance committees and remuneration committees of public limited companies, whether listed or not.

No Director is a member of more than 10 committees or chairman of more than 5 committees across all companies in which he is Director.

The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Agreement

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Agreement.

The Independent Directors will serve a maximum of two terms of five years each.

The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Clause 49 of the Equity Listing Agreement and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-

Executive Directors other than the Chairman are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Haryana. The Agenda of the Board / Committee meetings is set by the Chairman in consultation with Chief Executive Officer of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the period under review, Eight (8) Board Meetings were held. The date on which the Board meetings were held are as follows: 13th May 2016, 30th May 2016, 13th August, 2016, 20th August 2016, 14th November, 2016, 9th December 2016, 14th February 2017 and 14th March, 2017.

ATTENDANCE OF DIRECTORS AT THE BOARD MEETING AND LAST ANNUAL GENERAL MEETING

Sr. No.	Name of the Director	Number of Board Meetings held during the tenure of the Director	Number of Board meetings attended	Last AGM attendance
1.	Sh. A. R. Dahiya	8	8	No
2.	Sh. Amardeep Singh Dahiya	8	8	Yes
3.	Sh. Devinder Singh Jain	8	5	No
4.	Sh. Gurmukh Singh	8	8	Yes
5.	Sh. Vikas Tibrewal	8	3	No
6.	Sh. Manbeer Chaudhary	8	0	No
7.	Smt. Prem Dahiya	8	0	No
8.	Sh. Gurpreet Singh Toor	1	1	No

BOARD BUSINESS

The normal business of the Board includes:

- framing and overseeing progress of the Company's annual plan and operating framework;
- framing strategies for shaping of portfolio and direction of the Company and for corporate resource allocation;
- reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and accounts for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees;
- reviewing the functioning of the subsidiary companies;
- considering and approving declaration / recommendation of dividend;
- reviewing and resolving fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems or significant labour issues, if any;
- reviewing the details of significant development in human resources and industrial relations front;
- reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement;
- reviewing compliance with all relevant legislations and regulations and litigation status, including materially important show cause, demand, prosecution and penalty notices, if any;
- reviewing Board Remuneration Policy and individual remuneration packages of Directors;
- advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any;

- reviewing details of risk evaluation and internal controls;
- reviewing reports on progress made on the ongoing projects;
- monitoring and reviewing Board Evaluation framework.

BOARD SUPPORT

The CEO is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The CEO is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The CEO attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following statutory and non-statutory Committees.

A. AUDIT COMMITTEE

The Company's Audit Committee comprises all the Independent Directors. The Audit Committee is headed by Mr. Sh. Devender Jain and has Mr. Amardeep Singh Dahiya and Mr. Gurmukh Singh as its members. All the members of the Committee have relevant experience in financial matters.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examination with management the quarterly financial results before submission to the Board;
- reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- review management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- valuating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;

The recommendations of audit committee were duly approved and accepted by the Board.

The meetings of Audit Committee are also attended by the Chief Executive Officer, Statutory Auditors and Internal Auditor as special invitees. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board. The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives.

The Audit Committee met five times during the Financial Year ended 31st March, 2017 on 30th May, 2016, 13th August, 2016, 20th August, 2016, 14th November, 2016 and 14th February, 2017.

ATTENDANCE OF DIRECTORS AT THE AUDIT COMMITTEE MEETING

Name of Member	Status	No. of Meeting Attended
Sh. Devender Singh Jain	Chairman	5
Sh. Amardeep Dahiya	Member	5
Sh. Gurmukh Singh	Member	5

B. NOMINATION AND REMUNERATION COMMITTEE:

This is a non-mandatory requirement of Clause 49 of the Listing Agreement. The Board has however formed a remuneration committee in terms of Schedule XIII to the Companies Act, 1956 consisting of Sh. Vikas Tibrewal, Sh. Devender Singh and Sh. Gurmukh Singh.

The Nomination and Remuneration Committee comprises of three directors namely Sh. Vikas Tibrewal (Chairman), Sh. Devender Jain and Sh. Gurmukh Singh, as members as members of the Committee. The composition of the Committee is consistent with requirements of revised clause 49 of Listing Agreement. In terms of Section 178 (1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee should comprise of at least three Directors; all of whom should be Non-Executive Directors. At least half of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

The role of Nomination and Remuneration Committee is as follows:

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carryout evaluation of each Director’s performance and performance of the Board as a whole;

The Nomination and Remuneration Committee met Three times during the Financial Year ended 31st March, 2017 on 30th May 2016, 20th August 2016, and 14th February, 2017 and the attendance of members at the meetings was as follow:-

ATTENDANCE OF DIRECTORS AT THE AUDIT COMMITTEE MEETING

Name of Member	Status	No. of Meeting Attended
Sh. Vikas Tibrewal	Chairman	3
Sh. Devender Jain	Member	3
Sh. Gurmukh Singh	Member	3

DETAILS OF REMUNERATION OF DIRECTORS FOR THE PERIOD ENDED 31ST MARCH 2016.

No remuneration has been paid to any non-executive director of the company during the year under report except that Salary to Sh. Amardeep Dahiya, Managing Director has been fixed Rs. 12,00,000/- (Rs. Twelve Lakhs only) for the year 2016-17.

Remuneration payable to Managing Director has been duly approved by the remuneration committee, Board of Directors and is being placed at this 32th Annual General Meeting for approval. Remuneration payable is within the limits as prescribed under schedule XIII of The Companies Act, 1956.

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The company has constituted Stakeholders' Relationship Committee comprising Sh. A.R. Dahiya. (Chairman) and Sh. Amardeep Dahiya, Managing Director. Sh. Amardeep Dahiya, Managing Director has been nominated as the Compliance Officer of the company.

The role of Stakeholders' Relationship Committee is as follows:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors.

During the Financial Year ended 31st March, 2017, the Committee met Four times on 30th May 2016, 13th August 2016, 14th November 2016 and 14th February 2017.

Details of Shareholders' / Investors' Complaints

During the period under review, the Company received no complaints from the shareholders. As on date no complaints are pending with the company. The committee deals with various matters relating to the transmission of shares transfer of share and other matters relating to shareholder's complaints.

POLICIES ADOPTED BY THE COMPANY MANAGEMENT**Policy On Dealing With Related Party Transactions**

The Company has not entered in any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

AFFIRMATION AND DISCLOSURE

All the members of the Board have affirmed their compliance with the Code of Conduct as on 31st March, 2015 and a declaration to that effect, signed by the Managing Director and Chief Executive Officer (CEO), is attached and forms part of this Report.

There were no materially financial or commercial transaction, between the Company and members of the Board of Directors of the Company that may have a potential conflict with the interest of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE

There are some cases of non-compliances by the Company and instances of penalties and strictures imposed on the Company by the BSE and SEBI.

Following are the cases pending with BSE and SEBI:

1. The company had allotted 88,88,889 Compulsorily Convertible Preference Shares at the Board meeting held on 14th November 2016 to the promoters of the company pursuant to the shareholders approval in the Annual General meeting of the company held on 26th September 2016 at the registered office of the company. The company is in non-compliance of obtaining In -principal approval from BSE for the said allotment and matter was forwarded to SEBI for further condonation in non-compliance for obtaining In-principal approval. The SEBI had granted listing permission of the allotted shares and mentioned that company is liable for penalty as decided by Adjudicating officer to be appointed by the SEBI.

SECRETARIAL STANDARDS AND SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Standards Audit for the year 2016-17 for audit of secretarial records and procedures followed by the Company in compliance with relevant Secretarial Standards issued by the Institute of Company Secretaries of India, which were recommendatory in nature and Company voluntarily decided to adhere to the same. The Secretarial Standards Audit Report is part of this Annual Report.

SHAREHOLDER INFORMATION

General Body Meetings

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein alongwith details of Location and time, are as under:

Financial year	Date	Time	Venue	Details Special Resolutions Passed
2013-2014 30th AGM	29.09.2014	9.00 A.M.	Hotel North Park, Panchkula	1. To Borrow in excess of Paid up Capital and free reserves. 2. To Alter MOA subsequent to increase Authorised Capital of the company
2014-2015 31st AGM	28.09.2015	9.00 A.M.	Hotel North Park, Panchkula	No
2015-2016 32nd AGM	26.09.2016	10.00 A.M.	Hotel North Park, Panchkula	i. To appoint Sh. Amardeep Singh Dahiya as Managing Director and fix his remuneration. ii. Reclassification of authorized share capital and consequent alteration of MOA. iii. To Approve borrowing of Interest free unsecured loan from promoters convertible into compulsory convertible preference shares.

MEANS OF COMMUNICATIONS

- i) The company has been disclosing corporate financial performance on quarterly, half yearly & annual basis to the stock exchanges after being approved by the Board or Audit committee. These results are not displayed any website.
- ii) The company has not displayed any official news releases.
- iii) The company did not make any presentation to the institutional investors or the analysts.
- iv) Management Discussion and Analysis Report is a part of annual report.

Calendar of Financial Year ended 31st March, 2017

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2017 were held on the following dates:

First Quarter Results	13.08.2016
Second Quarter and Half yearly Results	14.11.2016
Third Quarter Results	14.02.2017
Fourth Quarter and Annual Results	30.05.2017

Tentative Calendar for financial year ending 31st March, 2018

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2018 are as follows:

(Calendar is Tentative & Subject to Change)

Sr. No.	Particulars	Date
1	Financial Year Ending	31st March, 2018
2.	I st Quarter Results	On or before 14th August, 2017
3.	2nd Quarter Results	On or before 14th November 2017
4.	3rd Quarter Results	On or before 14th February, 2018
5.	4th Quarter Results (Audited)	On or before 30th May, 2018
6.	AGM for the period ending 31.03.2018	On or before 30th Sept., 2018

Dividend

The Company has not declared any dividend during the year under review.

Distribution of Shareholding as on 31st March, 2017

	Shareholding of	Number of Shareholders	% of Total Shareholders	Total Shares For The Range	% Of Issued Capital
1	1 to 500	2130	74.1902	450705	3.3422
2	501 to 1000	342	11.9122	281045	2.0841
3	1001 to 2000	136	4.7370	223427	1.6568
4	2001 to 3000	61	2.1247	157219	1.1658
5	3001 to 4000	34	1.1843	125716	0.9322
6	4001 to 5000	40	1.3932	193194	1.4326
7	5001 to 10000	54	1.8809	409912	3.0397
8	10001 to *****	74	2.5775	11644146	86.3465
	Total	2871	100.0000	2,23,74,253	100.0000

Bifurcation of shares held in physical and demat form as on 31st March, 2017

Particulars	No. of Shares	Percentage of Total Capital
Listed Capital (as per company records)	1,34,85,364	100%
PHYSICAL	96,71,169	43.22
Held in dematerialized form in NSDL	87,36,525	39.05
Held in dematerialized form in CDSL	39,66,559	17.73
Total No. of Shares	2,23,74,253	100%

Listing of shares

At present the shares of the company are listed at Ludhiana, Delhi & Bombay Stock Exchanges except 88,88,889 Equity shares for which Listing is awaiting. The shares of the company have been dematerialized. The ISIN allotted to the Company's shares is INE084C1012.

The listing fee for the financial year 2016-17 has been paid to the above Stock Exchanges. The company has never issued any GDRs / ADRs or warrants.

Shareholding pattern as on 31.03.2017							
Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)As a % of (A+B+C2)
(A)	Promoter & Promoter Group	7	14181728	0	0	14181728	63.384%
(B)	Public	2864	8192525	0	0	8192525	36.616%
(C)	Non Promoter - Non Public				0		
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.0000
	Total	2871	22374253	0	0	22374253	100.00%

Share Price Data

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2017 are as under:

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
April	11.88	12	9.62	10.23	126610	299	1376130	111517	88.08	2.38	-1.65
May	10.2	11.5	8.3	9.12	101180	378	1001967	82332	81.37	3.2	-1.08
June	9.64	12	8.85	10.9	99316	323	1079988	85526	86.12	3.15	1.26
July	10.22	12.45	10	11.86	89442	283	970113	82257	91.97	2.45	1.64
August	12	13.9	10.11	12.07	471593	822	5602662	328825	69.73	3.79	0.07
September	13	13.4	8.92	9.34	1763189	4990	20325816	1068678	60.61	4.48	-3.66
October	10.2	10.48	9.06	9.68	1097190	1447	10502714	998237	90.98	1.42	-0.52
November	9.5	11.4	9.05	10.47	504792	696	5093311	455051	90.15	2.35	0.97
December	10.11	12.99	9.35	11.68	781343	962	8543391	626910	80.23	3.64	1.57
January	11.52	13	9.8	9.9	259797	675	2862893	214222	82.46	3.2	-1.62
February	10.05	10.1	9.01	9.16	389525	438	3707724	352804	90.57	1.09	-0.89
March	9.19	9.24	6.36	7.6	397671	488	3227744	367336	92.37	2.88	-1.59

* Spread

COMMUNICATION TO SHAREHOLDERS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers. These results are also made available on the website of the Company www.polohotelsltd.com. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts. The Company also sends quarterly, half yearly and annual results as well as the notice of the Board Meeting to Members on e-mail.

Address for Correspondence

All shareholders' correspondence should be forwarded to Link Intime India Pvt. Ltd 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028, the Registrar and Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below.

Link Intime India Pvt. Ltd

44, Community Centre, Phase-I,
Near PVR, Naraina Ind. Area, New Delhi-110028
Phone: +91 11 4141 0592 Fax: +91 11 4141 0591,

The Company's dedicated e-mail address for Investors' Complaints and other communications is polohotel@gmail.com.

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors
Polo Hotels Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Polo Hotels Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 and based on our knowledge and belief, we state that :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date : 21st August, 2017
Place: Panchkula

Mr. Amardeep S. Dahiya
Managing Director CFO
(DIN : 00468413)

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE
OF CONDITIONS OF CORPORATE GOVERNANCE**

**To,
The Members of
Polo Hotels Ltd.**

We have examined the compliance of conditions of Corporate Governance by Polo Hotels Limited ('the Company') for the year ended 31st March, 2017, as stipulated in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year 1st April'2016 to 31st March'2017. clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ashwani K. Gupta & Associates
Chartered Accountants**

Date : 21st August, 2017
Place: Panchkula

**(Arvinder Singh)
Partner**

SECRETARIAL STANDARDS REPORT

To

**The Board of Directors,
Polo Hotels Limited**

CIN : L55101HR1994PLC032355

Hotel North Park,

Village Chowki, Post Office - Devi Nagar,

Sector 32, Panchkula - 134108.

At the request of the management, we have examined relevant registers, records and documents maintained and made available to us by Polo Hotels Limited ("the Company") for the period commencing from 1st April, 2016 to 31st March, 2017 for compliances of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

ICSI had issued Secretarial Standards numbering 1 to 10 with reference to the provisions of the Companies Act, 1956 which were recommendatory in nature and the management had voluntarily decided to adhere to them. During the period under review ICSI had not issued corresponding Secretarial Standards with reference to the provisions of the Companies Act, 2013; nonetheless, the management had decided to continue to adhere to Standards issued earlier and comply with the same to the extent applicable to the Company.

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of Standards.

In our opinion and to the best of our information and according to the explanation given to us, we report that the Company has complied with all material aspects of applicable Secretarial Standards issued by ICSI.

**For Kanitkar S & Associates
Practicing Company Secretaries**

Sneha Kanitkar
Membership No.:- 29061
COP No.:- 11384

Date : 21st August, 2017

Place : Mumbai

SECRETARIAL AUDIT REPORT

To
The Board of Directors,
Polo Hotels Limited
CIN : L55101HR1994PLC032355
Hotel North Park,
Village Chowki, Post Office - Devi Nagar,
Sector 32, Panchkula – 134108

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Polo Hotels Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014); - Not applicable as the Company has not issued any securities under Employee Stock Option Scheme and Employee Stock Purchase Scheme;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review;
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review
- vi. The Company has identified the following laws as specifically applicable to the Company:
 1. The Prevention of Food Adulteration Act, 1954;
 2. Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) – ICSI had issued Secretarial Standards numbering 1 to 10 with reference to the provisions of the Companies Act, 1956 which were recommendatory in nature and the management had voluntarily decided to adhere to them.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that based on representations provided by the Company Management with respect to compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

- as informed by the Company Management, the Company has responded to notices for demands, claims, penalties etc levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

**For Kanitkar S & Associates
Practicing Company Secretaries**

**Sneha Kanitkar
Membership No.:- 29061
COP No.:- 11384**

Date : 21st August, 2017
Place : Mumbai

INDEPENDENT AUDITOR'S REPORT

To The Members of M/s POLO HOTELS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of M/s POLO HOTELS LIMITED, which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate 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 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion

1. The company has provided depreciation on the basis of revised useful lives taken on new technical estimate. Therefore had the company provided depreciation on the basis of useful life specified in Schedule II of the Companies Act, 2013 the depreciation would have been higher and the fixed assets have been lower by the amount of Rs. 9.80 Lacs.
2. The company is in non-compliance of AS 15 Employee Benefits to the extent of provision for leave encashment and provision for gratuity without ascertaining actuarial valuation.

Subject to the qualification above, 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.

- (a) In the case of the **Balance Sheet**, of the State of Affairs of the Company as at **31st March, 2017**;
- (b) In the case of the **Statement of Profit and Loss**, of the Profit of the Company for the year ended on that date, and
- (c) in the case of the **Cash Flow Statement**, of the Cash Flows of the Company for the year ended on that date.

Emphasis Of Matter

The Company has received notice issued under sec. 13(2) of the Securitisation and reconstruction of financial Assets & Enforcement of security Interest Act, 2002 from Allahabad bank/Religare finvest ltd./Deewan housing finance Ltd., in respect of term loans availed from the Banks/Financial Institutions. The Company is taking legal advice on the same.

Other Matter

We draw attention to the fact that the trade receivable includes an amount of Rs.50,92,237 due from Hot Millions Food Pvt. Ltd. is pending realization and the same being disclosed in the Note 27 of the financial statements.

Our opinion is not modified in respect to the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we give in the **Annexure -2** 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 and Companies (Audit and Auditors) Rule 2014, 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, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 except as stated above in qualified opinion para.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act and,
 - (f) Our separate report on adequacy of internal financial control system and operating effectiveness of such controls is enclosed in **Annexure – 1**.
 - (g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to best of our information and according to the explanation given to us.
 - i. The company has pending litigation impacting its financial position in its financial statement and the disclosure as required has been disclosed in the financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts as such the question of commenting on any material foreseeable losses does not arise.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Financial statements as to holdings as well as dealings in Specified bank Notes during the period from 8th November, 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company.

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Date : 21st August, 2017
Place: Panchkula

Arvinder Singh
Partner
Membership Number: 091721

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 M/s Polo Hotels Limited ("the Company") as of 31st March, 2017 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. 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, both 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. 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Arvinder Singh
Partner
Membership Number: 091721

Panchkula
21st August, 2017

Annexure – 2

Auditor's Report as per the Companies (Auditor's Report) Order 2017

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the statements for the year ended 31st March, 2017, we report that:-

1. In respect of fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us no material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information and explanation given to us, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its Inventories:

- a) As explained to us, inventories have been physically verified by the management at reasonable interval during the year.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. According to the Information and explanation given to us, the company has during the year not granted any unsecured loan to any party covered in the register maintained under Section 189 of the Companies Act 2013 and in our opinion, hence Para (a) and (b) are not applicable.

4. The company has not given any loans, guarantees or made any investments under section 185 of the Companies Act, 2013. However it had given guarantee against fund based limits provided to M/s ASD Tobacco Pvt. Ltd. The same being classified as NPA by the bank during the year and the company has been called upon to discharge in full the liability by paying to the bank. The guarantee amount does not exceed the limit as per provisions of Section 186.
5. In our opinion and according to the information and explanation given to us, the company during the year has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.
6. According to the information and explanation given to us, government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the company.
- 7A. According to the information and explanation given to us and on the basis of our examination of the records of the Company is not regular in depositing the undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Cess and other statutory dues as applicable to it.
- 7B. According to the information and explanation given to us and the records of the company examined by us, there are material dues of Tax Deducted Source pending as on March 31, 2017 which have not been deposited on account of a dispute.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1776413/-	March 2009 to July 2012	ACCEST, Panchkula

- 7C. According to information and explanation given to us, there was no amount which is required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
8. According to information and explanations given to us, the company has defaulted in repayment of dues to banks or financial institutions during the year of audit. Further, the Company has not issued any debentures.
9. In our opinion and according to the information given to us, the term loans have been applied for the purpose for which they were taken. Further, the company has not raised funds by way of Initial Public Offer or further public offer during the year under consideration.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
11. The company has paid the managerial remuneration during the period under consideration, as per the provisions of Section 197 and 198 relating to payment of managerial remuneration.
12. As the company is not a Nidhi company, hence this clause is not applicable.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The Company has made private placement of 88,88,889 compulsory convertible preference shares to the promoters bearing face value of Rs.10/- issued at premium of Rs. 1.25/- and converted them into equity shares during the year under review as per the provision of section 42 of the companies act'2013.
15. In our opinion and according to the information and explanation given to us, during the year company has not entered into any non-cash transactions with directors or persons connected with him. Hence, the provisions of section 192 of Companies Act, 2013 are not applicable to the company.
16. company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as it is not a NBFC.

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Date : 21st August, 2017
 Place: Panchkula

Arvinder Singh
Partner
Membership Number : 091721

BALANCE SHEET AS AT 31.03.2017

PARTICULARS	Notes		As on 31.3.2017		As on 31.3.2016
<u>EQUITY AND LIABILITIES</u>					
<u>A) Shareholders' funds</u>					
Share Capital	1	223,742,530		134,853,640	
Reserve and surplus	2	434,791,351		423,511,888	
			658,533,881		558,365,528
<u>B) Share Application Money Pending Allotment</u>					
<u>C) Non-current liabilities</u>					
Long-term borrowings	3	545,246,496		504,624,724	
Deferred tax liabilities(Net)		-		-	
Other Long term liabilities	4	71,516,399		154,268,009	
Long-term provision		-		-	
			616,762,894		658,892,733
<u>D) Current liabilities</u>					
Short-term borrowing		-		78,429	
Trade payables	5	22,024,841		23,932,112	
Other current liabilities	6	55,990,591		33,830,464	
Short-term provisions	7	39,400		67,840	
			78,054,832		57,908,846
			1,353,351,607		1,275,167,107
TOTALS (A+B+C+D)					
<u>ASSETS</u>					
<u>Non-current assets</u>					
a) Fixed Assets					
-Tangible assets	8	567,260,565		568,696,807	
-Intangible assets		-		-	
-Capital Work in Progress	9	749,096,681		673,288,042	
-Intangible assets under development					
b) Non-current investments	10	81,579		81,579	
c) Deferred tax assets (net)		1,036,162		1,036,162	
d) Long-term loans and advances	11	12,000,832		10,444,548	
e) Other Non-current assets	12	4,161,274		4,161,274	
			1,333,637,093	1,257,708,412	1,257,708,412
<u>Current assets</u>					
a) Current investment		-		-	
b) Inventories		3,538,900		3,038,900	
c) Trade receivables	13	5,543,882		7,780,937	
d) Cash and cash equivalents	14	2,262,329		3,568,207	
e) Short-term loans and advances	15	-		-	
f) Other current assets	16	8,369,403		3,070,651	
			19,714,514	17,458,695	17,458,695
			1,353,351,607		1,275,167,107
TOTALS (E+F)					

**SIGNIFICANT ACCOUNTING POLICIES
NOTES TO ACCOUNTS 1 to 34**

In terms of our separate Report of even date attached

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Arvinder Singh
Partner
Membership Number : 091721

Date : 21st August, 2017
Place: Panchkula

By Order of the Board of Directors
For Polo Hotels Limited

Amardeep S. Dahiya
Managing Director
DIN 00468413

Abhey Ram Dahiya
Chairman
DIN 00205496

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017.

Particulars	Notes	As on 31.3.2017	As on 31.3.2016
Income			
Revenue from operations(gross)	17	17445964	11959166
Less:excise duty		0	0
Revenue from operations(net)		17445964	11959166
Other income	18	68537	4437
Total revenue (I)		17514501	11963602
Expenses			
Cost of rendering services		7429336	4920897
Employee benefits expense		1773783	1401335
Finance costs	19	1900603	2413938
Depreciation and amortization expense	20	1436242	644454
Other expenses	21	4767768	2250405
Total expenses (II)		17307732	11631029
Profit before exceptional and extraordinary items and tax (I-II)		206769	332573
Less:-Exceptional items		0	0
Profit before extraordinary item and tax		206769	332573
Add:-Extraordinary item		0	0
Profit /loss before tax		206769	332573
Tax expenses			
Current tax		0	0
Minimum Alternate Tax		39400	67840
Deferred tax		0	0
Total tax expenses		39400	67840
Profit/(loss) for the year from continuing operations (A)		167369	264733
Profit/(loss) before tax from discontinuing operations		0	0
Tax expenses of discontinuing operations		0	0
Pofit/(loss) after tax from discontinuing operations (B)		0	0
Profit /(loss) for the year (A+B)		167369	264733
Earning per share			
Basic	23	0.01	0.02
Diluted	23	0.01	0.02

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

By Order of the Board of Directors
For Polo Hotels Limited

Arvinder Singh
Partner
Membership Number : 091721

Amardeep S. Dahiya
Managing Director
DIN 00468413

Abhey Ram Dahiya
Chairman
DIN 00205496

Date : 21st August, 2017
Place: Panchkula

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017.

PARTICULARS	2016-17 (Rs)	2015-16 (Rs)
<u>A. Cash Flow From Operating Activities :-</u>		
Net Profit As Per Profit & Loss A/C	206769	332573
<u>Adjustments For :-</u>		
Depreciation	1436242	644454
Appropriation	984	0
Interest	1845128	0
Minimum Alternate Tax	-39400	-67840
Cash Flow From Operation (Before Adj. Of C.A. And C.L.)	3449723	909187
<u>Adjustments For :-</u>		
Trade Receivable & Loan & Advances	-3061697	-1930632
Inventories	-500000	-2509640
Trade Payable & Other Current Liabilities	20145986	13161206
Cash Flow From Operation (Before Tax)	20034012	9630121
<u>Adjustments For :-</u>		
Tax Paid During The Year	0	0
<u>Net Cash From Operating Activities</u>	20034012	9630121
<u>B) Cash Flow From Investing Activities:-</u>		
Fixed Assets	0	-6609785
Capital Work In Progress	-75808639	-129163763
Increase In Loan Advances	-1556284	212118
<u>Net Cash From Investing Activities</u>	-77364923	-135561430
<u>C. Cash Flow From Financing Activities:-</u>		
Increase In Term Loan	40621771	81908499
Increase In Long Term Liability	-82751610	35732904
Issue of Shares	100000000	0
Interest Paid	-1845128	0
<u>Net Cash From Financing Activities</u>	56025033	117641403
<u>Change In Cash & Cash Equivalent (A+B+C)</u>	-1305878	-8289906
Opening Balance Of Cash & Cash Equivalent	3568206	11858112
Closing Balance Of Cash & Cash Equivalent	2262329	3568206

Notes:

Cash and cash equivalents represent cash & bank balance
Previous Year figures have been regrouped / reclassified where necessary.

THIS IS THE CASH FLOW STATEMENT REFERRED TO IN OUR REPORT OF EVEN DATE

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Arvinder Singh
Partner
Membership Number : 091721

Date : 21st August, 2017
Place: Panchkula

By Order of the Board of Directors
For Polo Hotels Limited

Amardeep S. Dahiya
Managing Director
DIN 00468413

Abhey Ram Dahiya
Chairman
DIN 00205496

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2016 - 17

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 1		
SHARE CAPITAL		
<u>Authorised</u>		
<u>CCPS Capital</u>		
<u>15000000 (P.Y. 5250000) CCPS of Rs 10.00 each</u>	150000000	52500000
<u>Equity Capital</u>		
25000000(P.Y. 34750000) Equity Shares of Rs.10.00 each	250000000	347500000
	400000000	400000000
Issued Subscribed & Paid up		
22374253 (P.Y. 13485364) Equity shares of Rs 10.00 each	223742530	134853640
TOTAL	223742530	134853640
EQUITY SHARES		
(A) Reconciliation of Number of Shares		
Shares Outstanding as at 01.04.2016/ 01.04.2015	13485364	13485364
Add: Shares issued/converted during the year*	8888889	0
Shares Outstanding as at 31.3.2017/ 31.3.2016	22374253	13485364
(B) List of Shareholders holding more than 5% of the total no. of Shares Issued by the Company :		
Name of the Shareholder		
ABHEY RAM DAHIYA	10834439	6612217
AMARDEEP SINGH DAHIYA	3347289	2434791
SURINDER KUMAR MADAN	2314767	-
PREFERENCE SHARES		
(A) Reconciliation of Number of Shares		
Shares Outstanding as at 01.04.2016/ 01.04.2015	0	0
Add: Shares issued during the year	8888889	0
Less: Converted to equity shares	8888889	0
Shares Outstanding as at 31.3.2017/ 31.3.2016	0	0

* Approval for Listing of Shares 88,88,889 is awaited from BSE/SEBI.

Terms / rights attached to equity shares:

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The holders of equity shares are also entitled for the dividend as proposed by the Board of Directors and approved in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 2		
Reserve and surplus		
Securities premium account		
Opening Balance	428135360	428135360
Add: On issue of shares during the year	11111110	0
Closing Balance	439246470	428135360
Surplus in the statement of profit and loss		
Balance as per last financial statements(Debit)	-4623472	-4888204
Add: Profit for the year	167369	264733
Add:Adjustments	984	
Closing Balance(Debit)	-4455119	-4623472
Total	434791351	423511888

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 3		
<u>Long - term borrowings</u>		
Term loans		
<i>From Banks</i>		
Allahabad Bank T/L	417324229	390689054
<i>From NBFC</i>		
Religare Finvest Ltd.	66895444	59519063
Dewan Housing Finance Corporation Ltd.	44816746	37196835
Hdb Financial Services Ltd.A/C 1025047	15298857	14418546
Hdb Financial Services Ltd.A/C1056936	606281	1239765
Vehicle Loans		
Tata Capital Financial Services Ltd.	304939	1404770
Mahindra & Mahindra Financial Services Ltd.	0	156692
Term Loan from Allahabad Bank is secured by way of First Equitable mortgage/Hypothecation charge on the Proposed Hotel Project of the Company and further secured by way of 2nd charge(1st charge with Religare Fin vest Ltd.) over Land and Building of Hotel North Park.Rate of Interest is BR+2.50%. The Term Loan is also secured by way of Personal guarantee of Managing Director and two wholetime directors of the Company		
A new project for setting up of 5 Star Hotel was under implementation for which term loan was sanctioned by Allahbad bank.The original COD of the said project has been extended upto October,2016 and the repayment of the said Term Loan shall commence from December,2016 as per revised terms of sanction by the Allahbad Bank		
Term Loan from Religare Fin vest Ltd. is secured as under:		
i) Assignment of Lease Income Receivables		
ii) First Charge on the hotel property North Park alongwith equitable mortgage of land in the name of the Company and the Building constructed thereon.		
iii) Personal guarantee of Managing Director and two wholetime directors of the Company		
iv) Terms of Repayment		
a) EMI of Rs 701319 ending on July 2023		
b) EMI of Rs 298624 ending on February 2022		
c) EMI of Rs 321581 ending on December 2024		
Term Loan from Dewan Housing Finance Corporation Ltd is exclusively secured by way of First Equitable/ Registered Mortgage of property situated at Khasra No. 68 , Sector-32, Panchkula , Construction Site of New Hotel Pink Sand Panchkula. The Term Loan is proposed to be repaid in 120 monthly Instalments commencing from April 2015		
The Term Loan is also secured by way of Personal guarantee of Directors		
Loans from Tata Capital Financial Services Ltd. and Mahindra & Mahindra Financial Services Ltd are secured by way of Hypothecation against Vehicles.		
Total	545246496	504624724

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 4		
<u>Other Long - term Liabilities</u>		
a) Trade payables	0	0
b) Others		
Other liability	4989028	4989028
From Related parties	66527371	149278981
Total	71516399	154268009

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 5		
<u>Trade payable</u>		
Sundry Creditors		
Others	22024841	23932112
Micro Small & medium Enterprises		
Total	22024841	23932112
The Company has not recd. Any information from suppliers regarding their status under the Micro, Small & medium Enterprise development Act,2006, hence no disclosures under the Act have been made in the accounts		

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 6		
<u>Other current liabilities</u>		
a) Current maturities of long -term debts	37609684	31132311
b) Interest accrued but not due on obligations	0	0
c) Cheques issued but not presented	276578	0
d) Expenses Payable	1580915	271555
e) Advance against Housing Project (Also Refer Note 33)	10000000	0
f) Advances from Customers	1533582	0
- Statutory Liabilities	4989832	2426598
Total	55990591	33830464

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 7		
<u>Short Term Provisions</u>		
Provision for Income tax	39400	67840
	39400	67840

Note 8									
<u>Fixed Assets</u>									
Particulars	Original cost as on 1/4/2016	Additions Before sept	Addition After Sept	Total as on 31/03/2017	DEPRECIATION			WRITTEN DOWN VALUE	
					Upto 31/03/2016	For the Year	Upto 31/03/2017	As on 31/03/2017	As on 31/03/2016
Land & Site Development	540803978	0	0	540803978	0	0	0	540803978	540803978
Building	32737519	0	0	32737519	17865706	348288	18213994	14523525	14871813
Plant & Machinery	19894229	0	0	19894229	10954532	575103	11529635	8364594	8939697
Furniture & Fixtures	7245908	0	0	7245908	5890046	191096	6081142	1164766	1355862
Vehicles	3028286	0	0	3028286	302829	321755	624584	2403702	2725457
Total	603709920	0	0	603709920	35013113	1436242	36449355	567260565	568696807
Previous Year	597100135	6609785	0	603709920	34368659	644454	35013113	568696807	562731476

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 9 Capital Work In Progress	749096681	673288042
Total	749096681	673288042

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 10 Non -current investments		
Investment in Shares	81579	81579
Total	81579	81579

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 11 Long-term Loans, and advances		
a) Capital advances	0	0
b) Deposit with Related Parties	1823189	444548
c) Deposits with Others	10177643	10000000
Total	12000832	10444548

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 12 Other Non current assets		
Unamortized expenditure	3105686	3105686
Security Deposits	1055588	1055588
Total(A+B+C)	4161274	4161274

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 13 Trade receivable		
Unsecured, considered good (Includes an amount of NIL (P.Y Rs.5092237/-) outstanding for a period exceeding six months from the date they are due for payment)	5543882	7780937
Total	5543882	7780937

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 14		
<u>Cash and cash equivalents.</u>		
Balance with banks in Current A/c	589528	1980557
Cash in Hand	1672802	1587650
Total	2262329	3568207

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 15		
<u>Short-term Loans, and advances</u>		
Loans & Advances	0	0
Total	0	0

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 16		
<u>Others current assets</u>		
Advance Recoverable In cash or in kind or for value to be received)	8369403	3070651
Total	8369403	3070651

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 17		
<u>Revenue From Operations</u>		
Room Rent	9372779	6455247
Food & Beverage Sale	7807352	3666755
Misc Income	265832	1837164
Total	17445964	11959166

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 18		
<u>Other income</u>		
Interest by Canara Bank	68537	4437
Total	68537	4437

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 19		
<u>Finance costs</u>		
Interest	1845128	2412561
Bank charges	55475	1377
Total	1900603	2413938

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 20		
<u>Depreciation and amortization expense</u>		
Depreciation of tangible assets	1436242	644454
Total	1436242	644454

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 21		
Other Expenses		
Business Promotion	84590	177018
Auditor's Remuneration	115000	114500
Housekeeping Expenses	44280	408223
Printing & Stationary	260169	182837
Annual Maintenance Cost	120852	96113
Credit Card Charges	49424	69012
Interest on Service Tax	7940	0
Commission & Brokerage	25000	0
Insurance	130513	0
Penal Charges - Stock Exchange	92600	0
Discount Allowed	84117	0
Rates, Fees & Taxes	661429	296350
Rounding Off	329	52238
Power & Fuel expenses	2877690	639486
Telephone and Communication Expenses	150289	131399
Tour and Travelling	30948	712
Miscellaneous	32598	82517
Total	4767768	2250405

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 22		
Payment to auditors		
Statutory Audit Fee	100000	100000
Tax Audit Fee	0	0
Service Tax	15000	14500
Total	115000	114500

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 23		
Earning Per Share		
Amounts used as numerators	167369	264733
Net profit after tax available for Equity Shareholders		
Weighted average no of Equity Shares	16237267	13485364
Basic & diluted earnings per share	0.01	0.02

Note 24

Segment reporting

The gross Turnover of the Company is from operations of hotel as the only venture of the Company. Therefore, there are no reporting requirements as per AS-17 issued by ICAI.

Note 25

Related Party Disclosure

Related party disclosure as reqd. by AS-18 is given below:

Associates

ARD Polypacks Pvt. Ltd.

Auto brakes Pvt. Ltd

Sumeru & Sehri

Sarva Educational Institution Pvt. Ltd

Sarva Promotors & Developers Pvt. Ltd.

S.A. Agro Farms Pvt. Ltd.

ASD Tobacco Pvt Ltd

Blossom Ventures

Key Management Personnel

A.R.Dahiya

Amardeep Dahiya

Related party Disclosure for the year 2016-17		
Particulars	Associate	Key management Personnel
Salary to M.D.	-	1200000
Outstanding Payable	36818653	30195077
Outstanding Receivable	444548	0
Loans accepted	10150000	21581504
Loans Repaid	10052212	102607543
	57465413	155584124

Note 26

Capital work in progress includes machinery under installation, construction/ erection material in hand and other assets yet to be put to use and also includes advances given to suppliers for capital goods. During the year financial expenses of Rs.69454170 have been capitalised for the funds utilised for capital work in progress.

Note 27

As per compromise cum settlement deed executed between the company & tenant ; M/s Hot Millions Foods Pvt. Ltd. An amount of Rs. 50,92,237 being disclosed as Trade receivable is pending recovery and steps are being taken to recover the aforesaid amount.

Note 28

The company has provided the depreciation on a straight line basis over the useful lives during the year specified in Schedule II. However there has been change in the useful lives of the asset on the basis of the technical estimates taken in regard to future compliance with the Ind AS which shall be applicable for the next financial year.

Note 29

The Company is governed by the provisions of section 115 JB of the Income Tax Act, 1961. Provision for Income Tax has been made on book profits as per Minimum Alternate tax (MAT) since there is no taxable Income as per Income Tax Act.

Note 30

Retirement Benefits in the form of provident Fund are charged to the Profit & Loss A/c of the year in which the contributions to the respective Funds are due. Grauity is paid as per payment of grauity act.

Note 31

Particulars	SBN	Other Denomination notes	Total
Cash Balance as on 08.11.2016	2250000	510923	2760923
Add:- permitted receipts	0	1329192	1329192
Less:- Permitted payments	0	390586	390586
Amount deposited in Banks	2250000	317000	2567000
Closing balance as on 30.12.2016	0	1132529	1132529

PARTICULARS	As on 31.3.2017	As on 31.3.2016
Note 32		
Contingent Liabilities & Commitments		
Bank Guarantee	600000	600000
Corporate Guarantee (See note below) *	52500000	52500000
Commitments for Capital Expenditure (See note below) **	0	150000000
Total	53100000	203100000

* The corporate gurantee has been invoked by Bank of India provided to M/s ASD Tobacco Pvt. Ltd. and the company has notice from bank to discharge its liability. M/s ASD Tobacoo Pvt. Ltd. is negotiating with bank to resolve the matter and had given a compromise offer for settlement of dues with initial deposit of Rs 1.40 cr. Hence there has been no provision in the books of accounts provided for during the year under consideration

** As the construction of the New Hotel Project has been stalled due to shortage of funds, commitments for capital expenditure has been taken as Nil.

There is a pending Service Tax assessment with Assistant Commisioner of Central Excise and Service Tax for order amounting Rs. 1776413/- for the period March 2009 to July 2012

Note 33

During the year under consideration, the company has entered into Joint Development agreement with M/s Credence Hometech Pvt. Ltd. to develop group Housing Project on vacant land available with the company subject to approval from the concerned authorities against which a sum of Rs. 1 Crore has been received as advance during the year.

Note 34

Previous year figures have been reclassified/regrouped/rearranged wherever necessary to make them comparable with those of current year

Auditor's Report

In terms of our separate Report of even date attached

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Arvinder Singh
Partner
Membership Number : 091721

Date : 21st August, 2017
Place: Panchkula

By Order of the Board of Directors
For Polo Hotels Limited

Amardeep S. Dahiya
Managing Director
DIN 00468413

Abhey Ram Dahiya
Chairman
DIN 00205496

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Note No. 1 - Significant Accounting Policies

1. Basis of Preparation of Financial Statements:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the company except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates :

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Example of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed tangible assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Accounting estimates could change from period to period. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Inventories:

- Closing stock at the year end is valued at cost of purchases using FIFO method.
- All the inventories have been physically verified at the year-end and certified by the management.

4. Revenue Recognition:

All income and expenditure items having a material bearing on the financial statement are recognized on accrual basis except as stated otherwise.

The Company presents revenue net of indirect taxes in its Statement of Profit & Loss.

Revenue from sales of services is recognized on the basis of completion of services.

5. Provisions & Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no realizable estimate can be made, a disclosure is made as contingent Liability. A disclosure for Contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of resources. Contingent Liabilities are not recognized, but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

6. Tangible assets and Capital Work in Progress

Tangible assets are valued at cost of acquisition inclusive of all duties & installation charges less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use.

Capital work in progress comprises the cost of fixed assets that are not yet ready for the intended use at the reporting date and advances given to suppliers for capital goods other preoperative expenses.

7. Depreciation and amortization

Depreciation on tangible assets is provided on straight line method over the useful life of assets as prescribed in Schedule II to the Companies Act, 2013. However revised useful lives are taken on the basis of technical estimates, where ever deemed necessary. Depreciation for assets purchased / sold during the period is proportionately charged. Intangible assets are amortized over their respected individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

8. Impairment of Assets

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is defined impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

9. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of such assets. Other borrowings cost are charged to Profit and Loss Statement in the period in which they are incurred.

10. Provisions for Current & Deferred Tax :

- Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961. Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

11. Earnings Per Share:

Basic Earning Per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

12. Investments :

Long Term Investments are stated at cost.

13. Cash & Cash equivalents:

Cash & Cash Equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

14. Cash Flow Statement:

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Date : 21st August, 2017
Place: Panchkula

Arvinder Singh
Partner
Membership Number : 091721



POLO HOTELS LIMITED
 CIN: L55101HR1994PLC032355
 Registered Office : Hotel North Park,
 Village: Chowki, Sec-32, Panchkula (Haryana).

ATTENDANCE SLIP

Registered Folio no. / DP ID no. / Client ID No. : _____

Number of shares held : _____

I certify that I am a member/ proxy for the member of the company.

I hereby record my presence at the 33rd Annual General Meeting of the members of the Company will be held on Monday, 25th September, 2017 at 10.00 A.M. at the Registered office of the Company held at Hotel North Park, Village Chowki, Post Office - Devi Nagar , Sector 32, Panchkula - 134108

 Name of the member/ proxy
 (in BLOCK letters)

 Signature of the member/ proxy

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the AGM.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	_____
Registered address	_____
E - mail ID	_____
Folio No. / DP ID and Client ID	_____

I/We, being the member (s) of shares of the above named Company, hereby appoint

1. Name : Email ID :
 Address : Signature or failing him/her
2. Name : Email ID :
 Address : Signature or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the members of the Company will be held on Monday, 25th September, 2017 at 10.00 A.M. at the Registered office of the Company held at Hotel North Park, Village Chowki, Post Office - Devi Nagar, Sector 32, Panchkula - 134108" and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS:				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon;			
2.	To appoint a Director in place of Mr. Abhey Ram Dahiya (DIN 00205496), who retires by rotation and, being eligible, offers himself for re-appointment.			
3.	To appoint a Director in place of Mr. Vikas Tibrewal (DIN 00645051) who retires by rotation and, being eligible, offers himself for re-appointment			
4.	To appoint a Director in place of Mrs. Prem Dahiya (DIN 00795025) who retires by rotation and, being eligible, offers himself for re-appointment			
5.	To Appoint Auditors of the Company M/s Datta Singla and co. Chartered Accountants, Chandigarh, FRN 006185N			
6.	To Regularise Mr. Gurpreet Singh Toor (DIN 07753943) as Director of the Company w.e.f. 14.03.2017			
7.	To Appoint Mr. Gurpreet Singh Toor (DIN 07753943) as Independent Director of the Company w.e.f. 14.03.2017			

Signed this..... day of2017.

Signature of shareholder.....

Signature of proxy holder(s).....



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



POLO HOTELS LIMITED
Registered Office Hotel North Park
Village: Chowki, Sec-32, Panchkula (Haryana)