



POLO HOTELS LIMITED

NORTH PARK

ANNUAL REPORT

2001-2002

For Polo Hotels Ltd.

A handwritten signature in black ink, appearing to be 'Chakr', is written over the printed name of the Company Secretary.

Company Secretary

**OWNER'S
HOTEL NORTH PARK, PANCHKULA**

Directors : Shri A. R. Dahiya
Shri Pankaj Dahiya
Shri Amardeep Dahiya

Auditors : M/s Ashwani K. Gupta & Associates
Chartered Accounts
H. No. : 1044-A, Sector - 2,
Panchkula

Bankers : Oriental Bank of Commerce
Panchkula

Registered & Corporate Office : Hotel North Park
Village Chowki
Panchkula, Haryana - 134 108

Hotel : Hotel North Park
Near Ghaggar Bridge
Panchkula, Haryana

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the members of the Company will be held on Monday, 30th September 2002 at 9.00 A.M. at the Registered office of the company at Hotel North Park, Village Chowki, Near Ghaggar Bridge, Panchkula, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2002 and the profit & loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj Dahiya who retires by rotation by being eligible has offered himself if for re-appointment.
3. To appointment auditors of the Company and to fix their remuneration.

By order of the Board

sd/-

(AMARDEEP DAHIYA)

DIRECTOR

Place : PANCHKULA

DATED : 31-08-2002

NOTES :

1. A member who is entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy form duly filled in and stamped must reach the registered office of the company at least 48 hours before the commencement of the meeting.
2. Members are requested to bring their copies of Annual Report and admission slip to the meeting.
3. Members are requested to notify to the company immediately change in their address, if any.
4. The Register of Members and Transfer Books of the Company will remain closed from 27th September, 2002 to 30th September, 2002 (both days inclusive) for the purpose of Annual General Meeting of the Company.
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. The Company has entered into Agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for providing dematerialisation facilities to the members of the members of the company, M/s In-house Share Registry having their office at 3, community centre, Naraina Industrial Area, Phase-I, New Delhi-110 028 have been appointed as Demat Registrar.
7. Members may please note that no gifts or coupons will be distributed at the Annual General Meeting.

DIRECTORS REPORT**TO THE MEMBERS
POLO HOTELS LIMITED**

Your Directors have pleasure in submitting their 18th Annual Report together with the audited accounts for the year ended on 31st March 2002

FINANCIAL RESULTS	(Rs. in lacs)	
	2002	2001
Gross Income	63.85	113.32
Profit before interest, dep. & Tax	28.44	25.44
Interest	24.18	28.50
Income Tax	---	---
Profit (Loss) before depreciation	4.26	(3.06)
Depreciation	23.27	23.87
Net loss for the year	19.01	26.93
Deferred Tax Assets for the year	6.59	---
Loss Brought forward	125.50	98.57
Total loss	137.92	---
Deffered Tax Assets for the earlier years	4.45	---
Loss carried to Balance Sheet	133.47	125.50

OPERATIONS

Due to low business there has been a decline in the gross income of the company in the present financial year in the first six months. The Hotel North Park the only venture of the Company has been leased out from 26th September 2001, to M/s Hot Millions Foods (P) Ltd. Chandigarh a well known chain of fast food and restaurant and a regular income of the company has started and the position of the company will improve in future.

DIRECTORS

Mr. Pankaj Dahiya Director of the company is retiring at the forthcoming Annual General Meeting and being eligible had offered himself for re-appointment.

The Board recommends the re-appointment of Mr. Pankaj Dahiya.

AUDITORS

M/s Ashwani K. Gupta & Associates, Chartered Accountants, are the present Auditors of the company. However, they hold office up to the conclusion of the 18th Annual General Meeting.

But being eligible they have offered themselves for re-appointment.

The Board recommends appointment of M/s Ashwani K. Gupta & Associates, Chartered Accountant, as Auditors of the Company for the financial year 2002-2003.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, it is hereby stated :-

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 & loss of the Company for that period.
- iii) That Directors had taken proper and sufficient care for the maintenance for 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.
- iv) That the Directors have prepared the annual accounts on a going concern basis.

LISTING

The shares of your company are listed at the Stock Exchange of Mumabi, New Delhi and Ludhiana.

CORPORATE GOVERNANCE

The company is in the process of implementing corporate governance as required under clause 49 of the Listing Agreement & the same shall be put in place by the end of current financial year.

PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE COMPANIES ACT, 1956.

NIL, Because during the year under report the company did not have any employee covered under Section 217(2A)

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

NOT APPLICABLE , Because the company is not a manufacturing company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

ACKNOWLEDGMENTS

The Directors take this opportunity to thanks the company' staff members and workers for their continued support, dedication and co-operation extended to the company. The Board also thanks its shareholders for the trust reposed by them in the company. for and on behalf of Board of Directors

For and on behalf of Board of Directors

Place : Panchkula
Dated : 31.08.2002

sd/-
Amardeep S. Dahiya
Director

sd/-
(A.R.Dahiya)
Chairman

**AUDITOR'S REPORT
TO THE MEMBERS OF POLO HOTELS LIMITED**

We have audited the attached Balance Sheet of M/s POLO HOTELS LIMITED, as at 31st March, 2002 and also the profit & Loss for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies act, 1956;
5. On the basis of written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2002 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best our information and according to the explanations given to us, the said accounts give a true and fair views 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, 2002 and
 - b) In the case of the Profit and Loss Account of the Profit or Loss for the year ended on that date.

For ASHWANI K. GUPTA & ASSOCIATES,
CHARTERED ACCOUNTANTS

Place : PANCHKULA
Dated : 31-08-2002

sd/-
(ASHWANI K. GUPTA)
F.C.A.

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT TO THE MEMBERS
OF POLO HOTELS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH, 2002**

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. All the fixed assets have been verified by the management during the year. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
2. None of the fixed assets have been revalued during the year.
3. Physical verification has been conducted by the management at reasonable intervals in respect of finished good, stores, spare parts and raw materials.
4. In our opinion and according to information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts. However the Inventory as at the closing of the year was Nil.
6. The Company has taken unsecured loans from Companies firms or other parties listed in the Register maintained u/s 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under sub section 1 B of Section 370 of the Companies Act, 1956 and the rate of interest and other terms & conditions of such loan are not prima facie prejudicial to the interest of the Company.
7. According to the information and explanation given to us the Company has not granted any loans to companies firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no Companies under the same management within the meaning of section 370 (IB) of the Companies Act, 1956.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with the size of the Company and the nature of its business with regard to purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods.
9. In our opinion and according to the information and explanation given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party.
10. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw material and finished goods.
11. The Company has not accepted any deposits from the public.
12. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. The Company's operations do not generate any by-products.
13. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
14. We are informed that maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, in respect of the Company's product.
15. According to the records of the Company, during the year, the Company has not been regular in depositing the Provident fund dues of the employees with the appropriate authority.
16. According to the information and explanation given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, customs Duty and Excise duty were outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable.
17. According to the information and explanation given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
18. The Company is not a sick industrial company within the meaning of clause (O) of sub-section 3 of the Sick Industrial Companies (Special Provisions) Act, 1956.

For ASHWANI K. GUPTA & ASSOCIATES,
CHARTERED ACCOUNTANTS

sd/-

(ASHWANI K. GUPTA)

F.C.A.

Place : PANCHKULA

Dated : 31-08-2002

BALANCE SHEET AS ON 31ST MARCH, 2002

PARTICULARS	SCH	31-03-2002	31-03-2001
SOURCES OF FUNDS			
SHAREHOLDERS FUND			
Share Capital	"A"	33,976,000.00	33,976,000.00
LOAN FUNDS			
Secured Loans	"B"	14,710,519.00	16,680,390.00
TOTAL		48,686,519.00	50,656,390.00
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	"C"	55,540,579.75	56,163,842.75
Less Depreciation		(8,134,668.81)	(5,921,821.06)
Net Block		47,405,910.94	50,242,021.69
INVESTMENTS	"D"	81,579.00	81,579.00
Current Assets Loans & Advances	"E"	1,200,733.83	8,134,611.23
Current Liabilities & Provisions	"F"	17,559,023.51	24,367,568.22
NET CURRENT ASSETS		(16,358,289.68)	(16,232,956.99)
MISCELLANEOUS EXPENDITURE	"G"	3,105,686.24	4,015,356.88
PROFIT & LOSS ACCOUNT		13,347,168.50	12,550,389.42
DEFERRED TAX ASSETS		1,104,464.00	—
TOTAL		48,686,519.00	50,656,390.00

AUDITORS'S REPORT

As per our Separate Report of even date attached
For ASHWANI K. GUPTA & ASSOCIATES

CHARTERED ACCOUNTANTS

sd/-
(ASHWANI K. GUPTA)

sd/-
(A.R. DAHIYA)
CHAIRMAN

sd/-
(AMARDEEP DAHIYA)
DIRECTOR

sd/-
(MOHINDER SINGH)
COMPANY SECRETARY

PLACE : PANCHKULA
DATE : 31-08-2002

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31-03-2002

PARTICULARS	SCH	31-03-2002	31-03-2001
INCOME			
Sale & other Income	"H"	6,385,344.66	11,332,008.93
TOTAL		6,385,344.66	11,332,008.93
EXPENDITURE			
Raw Material Consumed	"I"	627,875.26	1,800,938.01
Consumption of Stores & Supply		44,924.07	204,432.90
Consumption of Fuel & Power		743,149.00	2,191,626.77
Consumption of Cooking Gas & Coal		194,050.90	505,609.38
Misc. Operational Expenditure		310,305.57	962,324.04
Employees Cost	"J"	421,958.00	1,271,480.25
Loss on sale of Vehicles		228,647.01	—
Other Expenses	"K"	970,119.19	1,851,532.81
TOTAL		3,541,029.00	8,787,944.16
OPERATIONAL PROFIT		2,844,315.66	2,544,064.77
INTEREST & FINANCIAL CHARGES	"L"	2,418,095.00	2,850,550.00
Profit/(Loss) before depreciation		426,220.66	(306,485.23)
Depreciation		2,327,463.74	2,386,673.66
Profit/(Loss) for the year before Tax		(1,901,243.08)	(2,693,158.89)
Deferred Tax asset for the year		659,484.00	—
Profit/(Loss) for the year after Tax		(1,241,759.08)	—
Previous year's Loss brought forward		(12,550,389.42)	(9,857,230.53)
Total Loss		(13,792,148.50)	—
Deferred Tax asset for the earlier years		444,980.00	—
CARRIED TO BALANCE SHEET		(13,347,168.50)	(12,550,389.42)

NOTES ON ACCOUNTS "M"

AUDITORS'S REPORT

As per our Separate Report of even date attached
For ASHWANI K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-
(ASHWANI K. GUPTA)

sd/-
(A.R. DAHIYA)
CHAIRMAN

sd/-
(AMARDEEP DAHIYA)
DIRECTOR

sd/-
(MOHINDER SINGH)
COMPANY SECRETARY

PLACE : PANCHKULA
DATE : 31-08-2002

SCHEDULE "C"

DEPRECIATION CHART POLO HOTELS LTD. 2001-2002

PARTICULARS	ORIGINAL COST	ADDITIONS	SALE	TOTAL	DEPRECIATION UPTO 31-08-2002	DEPRECIATION WRITTEN BACK	DEPRECIATION FOR THE YEAR	TOTAL DEPRECIATION	WDV AS ON 31-03-2002	WDV AS ON 31-03-2001
LAND & SITE										
DEVELOPMENT	2,544,523.10	—	—	2,544,523.10	NIL	—	—	—	2,544,523.10	2,544,523.10
BUILDING	32,737,519.00	—	—	32,737,519.00	2,982,899.48	—	1,093,433.13	4,076,332.61	28,661,186.39	29,754,619.52
PLANT & MACHINERY	14,537,483.50	—	—	14,537,483.50	1,705,531.69	—	690,530.47	2,396,062.16	12,141,421.34	12,831,951.81
FURNITURE & FIXTURE	5,721,054.15	—	—	5,721,054.15	1,118,773.90	—	543,500.14	1,662,274.04	4,058,780.11	4,602,280.25
VEHICLE	623,263.00	—	623,263.00	—	114,615.99	114,615.99	—	—	—	508,647.01
TOTAL	56,163,842.75	623,263.00	623,263.00	55,540,579.75	5,921,821.06	114,615.99	2,327,463.75	8,134,668.82	47,405,910.93	50,242,021.69

FORMING PART OF THE BALANCE SHEET AS AT 31-03-2002

SCHEDULE 'A' SHARE CAPITAL

S.No.	PARTICULARS	31-03-2002	31-03-2001
	Authorised Share Capital 40,00,000 Equity Shares of Rs. 10/- each	40,000,000.00	40,000,000.00
	TOTAL	40,000,000.00	40,000,000.00
	Issued Subscribed, paid-up Capital 33,97,600 Equity Shares of Rs. 10/- each fully paid-up	33,976,000.00	33,976,000.00
	TOTAL	33,976,000.00	33,976,000.00

SCHEDULE 'B' SECURED CAPITAL

	Term Loan from Oriental Bank of Commerce	14,710,519.00	16,680,390.00
	TOTAL	14,710,519.00	16,680,390.00

SCHEDULE 'D' INVESTMENT

	4500 Equity Shares of Rs. 10/- each of M/s Trans Asia Tube Ind. Ltd. (at cost)	81,579.00	81,579.00
	TOTAL	81,579.00	81,579.00

SCHEDULE "E" CURRENT ASSETS, LOANS & ADVANCES

A. CURRENT ASSETS

	Cash in Hand	83,921.26	105,893.28
	Balances with Schedule Bank	82,926.37	36,301.22
	FDR with Oriental Bank of Commerce	130,000.00	130,000.00
	Sundry Debtors	109,432.67	1,262,897.11
	Inventories	—	106,862.00
	Other Current Assets	35,267.00	47,786.00
	TOTAL	441,547.30	1,689,739.61

B. LOANS & ADVANCES

	Advance to Supplier & Contractors	595,203.53	5,634,802.62
	Security Deposit	156,940.00	156,940.00
	Staff Advances	—	15,600.00
	Prepaid Expenses	—	633,833.00
	TDS	7,043.00	3,696.00
	TOTAL	759,186.53	6,444,871.62

	TOTAL	1,200,733.83	8,134,611.23
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SCHEDULE "F" CURRENT LIABILITIES

	Sundry Creditors	411,287.03	5,809,848.52
	Statutory Liabilities	138,315.27	259,664.23
	Dues to Directors	10,026,491.00	10,232,491.00
	Other Liabilities	6,982,930.21	8,065,564.47
	TOTAL	17,559,023.51	24,367,568.22

SCHEDULE "G" MISCELLANEOUS EXPENDITURE

S.No. PARTICULARS	31-03-2002	31-03-2001
Preliminary Expenses	—	9,915.00
Public Issue Expenses	3,105,686.24	3,105,686.24
Pre-operative Expenses Pending Capitalisation upto last year	—	899,755.64
TOTAL	3,105,686.24	4,015,356.88

SCHEDULE "H" OF SALES & OTHER INCOME

Room sale & Hall charges	1,635,956.02	8,182,093.57
Food sale	640,058.57	1,773,232.33
Beverages & tobacco sale	333,178.10	932,806.16
Miscellaneous income	1,001,151.97	452,876.87
Lease rentals	2,775,000.00	NIL
TOTAL	6,385,344.66	11,332,008.93

SCHEDULE "I" RAW MATERIAL CONSUMED

Opening Stock	91,631.00	133,741.50
Purchases	536,244.26	1,758,827.51
TOTAL	627,875.26	1,892,569.01
Less : Closing Stock	—	(91,631.00)
NET CONSUMPTION	627,875.26	1,800,938.01

SCHEDULE "J" EMPLOYEE COST

Salary & H.R.A.	357,823.00	1,075,480.25
Provident Fund & Gratuity	12,311.00	30,722.00
Conveyance Allowance	51,824.00	165,278.00
TOTAL	421,958.00	1,271,480.25

SCHEDULE "J" EMPLOYEE COST

Rent, Rate & Taxes	527,500.00	500,000.00
Postage, Telegram & Telephone Exp.	80,907.00	169,809.54
Printing & Stationery	65,466.30	162,059.80
Vehicle Running Expenses	119,722.00	405,188.03
Traveling & Conveyance	20,269.00	98,298.00
News Paper & Periodicals	3,202.20	17,749.80
Laundry Expenses	57,402.10	112,619.00
Advertisement & Publicity	12,972.00	10,680.00
Repair & Maintenance	39,563.00	270,160.91
Auditors Fee	12,600.00	12,600.00
Auditors's Other Fee	3,150.00	3,150.00
Bank Charges	13,532.59	28,286.73
Miscellaneous Expenses	13,833.00	60,931.00
TOTAL	970,119.19	1,851,532.81

SCHEDULE "H" INTEREST & FINANCIAL CHARGES

Interest on Term Loan	2,369,129.00	2,820,430.00
Interest on Mini Bus Loan	48,966.00	30,120.00
TOTAL	2,418,095.00	2,850,550.00

SCHEDULE "M" NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounts of the Company are prepared under the historical cost convention and materially comply with mandatory accounting standard issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are stated below :

i) Fixed Assets :

Fixed assets are stated at Cost. the cost of an assets comprises its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use and also including an appropriate share of pre-operative expenses capitalization.

ii) Depreciation

Depreciation has been provided on straight line method at the rate prescribed Schedule XIV of the Companies Act, 1956 on single shift basis for the Current Financial year. No provisions has still been made for arrears of Depreciation amounting to Rs. 51,96,593/- on straight line method at the rate prescribed under Schedule XIV of the Companies Act, 1956 on single shift basis up to 31-03.1998. Accordingly the Net Block and Profit & Loss Account Balances are understated to that extent in the Balance Sheet.

iv) Inventories

Inventories are nil as the Company's only venture Hotel North Park has been given on lease and operation are being managed by lessee.

iv) Preliminary expenses amounting to Rs. 9915 has been written of in full during the year.

v) Public issue expenses to be written off, would be considered, when the entire hotel project comes into operation.

vi) Investment are valued at cost.

2. The Company's only venture Hotel North Park has been given on long lease during the year under report after obtaining the approval of the shareholders at their 17th Annual General Meeting held on 24th September 2001.

3. No provision has been made for Income Tax as there is no tax liability.

4. Pre-operative Expenses pending Capitalisation amounting to Rs. 8,99,755.64/- as on 31-03-2001 have been adjusted against the credit Balances written back during the year and the same have been adjusted under the head Miscellaneous income.

DEFERRED TAXATION :

5. In compliance with the Accounting Standard 22 relating to "Accounting for Taxes on Income" the Company has recognized a Deferred Tax Asset of Rs. 444980/-upto 31-03-2001 as an adjustment from brought forward loss in the books of accounts. Further Deferred Tax Asset for the year ended on 31-03-2002 amounting to Rs. 6,59,484/- has been shown as adjustment from current year loss.

Following are the major Components of Deferred Tax Assets/(Liabilities) as on 31-03-2002 : -

	(Amount in Rs.)
a) Difference between books and Tax Depreciation including disallowance	(52,54,371.00)
b) Brought forward loss/depreciation	(48,28,111.00)
c) Unabsorbed depreciation (current year)	(15,30,724.00)
	<u>11,04,464.00</u>

The company on the basis of projections expects to generate sufficient taxable income in the coming years which will enable it to utilize the carried forward unabsorbed depreciation/losses.

RELATED PARTY DISCLOSURE :

Related party disclosure as required by AS-18, are given below :-

- A) Associates
 - I. ARD POLYPACKS (P) LTD.
 - II. AUTO BRAKES (P) LTD.
 - III. SUMERU & SEHRI
 - IV. Sh. NORTH INDIA INSTITUTE OF HOTEL MGT.
- B) Key Management Personnel
 - I. Sh. A.R. Dahiya
 - II. Pankaj Dahiya
 - III. Sh. Amardeep Dahiya

C) Related Party Disclosure for the year ended 2001-2002

S.No.	Particulars	Associates	Key Management Personnel
1.	Rent Received	3,75,000.00	—
2.	Outstanding Guarantee taken (in favour of Oriental Bank of Commerce securing Term Loan Given by them to the company	—	2,00,00,000.00
3.	Temporary borrowing repaid	5,31,000.00	2,06,000.00
4.	Temporary borrowing (outstanding at year end)	43,20,185.21	1,00,26,491.00

- iv) The debit and credit balances in the account of parties and individuals are subject to confirmation by the respective parties/individuals.
- v) Term Loan from Oriental Bank of Commerce is secured by the first charge on all present and future movables and immovable assets of the Company.
- vi) There is no foreign exchange earning during the year.
- vii) No employee of the Company is covered under section 217(2A) of the Companies Act, 1956 in current as well as in the previous year.
- ix) Contingent Liabilities : Oriental Bank of Commerce, Panchkula has issued Bank Guarantee for a sum of Rs. 5,15,000/-in favour of Director, Town & Country Planning, Haryana.
- x) Previous year figures have been regrouped/recast, wherever deemed necessary.
- xi) Schedule "A" to "M" form an integral part of the Balance Sheet/Profit & Loss account.

AUDITORS'S REPORT

As per our Separate Report of even date attached
For ASHWANI K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-
(ASHWANI K. GUPTA)

sd/-
(A.R. DAHIYA)
CHAIRMAN

sd/-
(AMARDEEP DAHIYA)
DIRECTOR

sd/-
(MOHINDER SINGH)
COMPANY SECRETARY

PLACE : PANCHKULA
DATE : 31-08-2002

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2002

PARTICULARS	31-03-2002	31-03-2001
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax extra ordinary item	(1,901,243.08	(2,693,158.89
Adjustment for :		
Loss on sale of vehicles	2,28,647.01	—
Depreciation	2,327,463.74	2,386,673.66
Interest expenses	2,418,095.00	2,850,550.00
Operating profit before working capital changes	30,72,962.67	2,544,064.77
Adjustment for Miscellaneous Expenditure	909,670.64	—
Trade & other receivable	68,51,668.53	293,425.12
Inventories	106,862.00	44,200.73
Trade Payables	(6,808,544.71)	2,156,476.95
Cash generated from operations	4,132,619.13	5,038,167.57
B. NET CASH USED IN INVESTING ACTIVITIES		
C. CASH RECEIVED FROM SALE OF VEHICLES	2,80,000.00	
D. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital		
Share issue expenses		
Proceeds from borrowing		
Repayment of borrowing (secured loan)	1,969,871.00	2,289,570.00
Interest paid	2,418,095.00	2,850,550.00
Net increase/decrease in cash & cash equivalent	4,387,966.00	5,140,120.00
Opening balance of cash & cash equivalent	24,653.13	(101,952.43)
Closing balance of cash & cash equivalent	272,194.50	374,146.93
	296,847.63	272,194.50

AUDITORS'S REPORT

As per our Separate Report of even date attached

For ASHWANI K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-
(ASHWANI K. GUPTA)

sd/-
(A.R. DAHIYA)
Chairman

sd/-
(AMARDEEP DAHIYA)
Director

sd/-
(MOHINDER SINGH)
Company Secretary

Place : PANCHKULA
Date : 31-08-2002

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

State Code

Registration No.

Balance Sheet Date

Date

Month

Year

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

Right Issue

Bonus Issue

Private Issue

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds, Paid-up-Capital

Share Application Money

Reserve & Surplus

Secured Loans

Unsecured Loans

Investments

Application of Funds, Net Fixed Assets

Misc. Expenditure

Net Current Assets (-ve)

Accumulated Losses

4. Performance of Company (Amount in Rs. Thousands)

Turnover including other income

Total Expenditure

Loss before Tax

Loss after Tax

Earnings per share in Rs.

Dividend Rate %

Generic Name Three Principals Services of Company

Item Code No.

Service Description

POLO HOTEL LIMITED

ATTENDANCE SLIP

Registered Office : Hotel North Park, Vill. Chowki, Panchkula, Haryana

PLEASE FILL IN THIS SLIP AND HAND IT OVER
AT THE ENTRANCE OF THE MEETING HALL

Name & Address of the Share Holder :

No. of Shares held : Folio No. :

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company held on Monday, 30th September 2002, 9.00 a.m. at the Registered Office of the Company, Hotel North Park, Village Chowki, Panchkula, Haryana.

SIGNATURE OF THE SHARE HOLDER PROXY*

..... TEAR HERE

PROXY FORM

POLO HOTEL LIMITED

Registered Office : Hotel North Park, Vill Chowki, Panchkula, Haryana

Folio No. :

I/We ofbeing a member of Polo Hotels Ltd.
Hereby appoint of or failing
him of As my/our proxy
to vote for me/use behalf at the 18th Annual General Meeting to be held on Monday, the 30th September
2002 at 9.00 a.m. or at any adjournment thereof.

Signature this day of 2002

Affix
Rs. 1
Revenue
Stamp

Note : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be member of the company.

BOOK POST

U.R.C.

If undelivered please return to :

POLO HOTELS LIMITED

Regd. Office : Hotel North Park

Village Chowki,

Panchkula - 134 109, Haryana