



POLO HOTELS LIMITED

**ANNUAL REPORT
2012-2013**

**OWNER OF
HOTEL NORTH PARK, PANCHKULA**

Directors	:	Sh. A.R. Dahiya, Chairman Sh. Amardeep Dahiya, Managing Director Sh. Pankaj Dahiya Sh. Devender Jain Sh. Gurmukh Singh Sh. Vikas Tibrewal Sh. Manbeer Choudhary Dr. Vivek Sama
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, Panchkula (Haryana)
Administrative Office	:	Plot No. 67, Industrial Area, Phase-1, Panchkula (Haryana)
Hotel	:	Hotel North Park Near Ghaggar Bridge, Panchkula (Haryana)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the members of the Company will be held on Monday, 23rd September 2013 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 at 31st March, 2013 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 Sh. Amardeep Singh Dahiya who retires by rotation but being eligible has offered himself for reappointment.
3. To appoint a Director in place of Sh. Devender Jain who retires by rotation but being eligible has offered himself for reappointment.
4. To appoint a Director in place of Sh. Gurmukh Singh who retires by rotation but being eligible has offered himself for reappointment
5. To appoint auditors of the Company and to fix their remuneration.

By order of the Board
Sd/
(Amardeep Dahiya)
Managing Director

Place : Panchkula
Dated : 12.08.2013

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 filed 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 20th September, 2013 to 23rd September, 2013 (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. M/s Link Intime India Pvt. Ltd., 44, Community Centre, Naryana Industrial Area, Phase-I, New Delhi-110 028 have been appointed as Demat Registrar and Share Transfer Agent of the Company.
7. Members may please note that no gift or coupons will be distributed at the Annual General Meeting.

DIRECTORS REPORT

To
The Members
Polo Hotels Ltd.

Your Directors have pleasure in submitting their 29th Annual Report together with audited accounts for the year ended on 31st March, 2013.

Financial Results

PARTICULARS	Financial Year Ending on 31.03.2013 (Rs. In Lacs)	Financial Year Ending on 31.03.2012 (Rs. In Lacs)
Gross Income	82.71	77.86
Profit before Interest, Dep. & Tax	76.06	73.47
Interest	36.58	35.70
Profit/ (Loss) before Depreciation & Tax	39.48	37.77
Depreciation for the year	19.13	17.86
Net Profit/ (Loss) for the year	20.35	19.91
Provision for Tax	3.88	3.68
Net Profit/ (Loss) for the year	16.47	16.23
Loss brought forward	89.96	106.19
Total Loss carried to Balance Sheet	73.49	89.96

OPERATIONS

The Hotel North Park owned by the Company has been leased out from 26th September, 2001 to M/s Hot Millions Food (P) Ltd. Chandigarh a well known chain of fast food and restaurant in the region and the company is receiving a regular rental income.

DIRECTORS

Sh. Amardeep Singh Dahiya, Director of the company is retiring at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

The Board recommends the re-appointment of Sh. Amardeep Singh Dahiya.

Sh. Devender Jain, Director of the company is retiring at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

The Board recommends the re-appointment of Sh. Devender Jain.

Sh. Gurmukh Singh, Director of the company is retiring at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

The Board recommends the re-appointment of Sh. Gurmukh Singh.

AUDITORS

M/s Ashwani K. Gupta & Associates, Chartered Accountant are the present auditors of the company. In terms of the provisions of Section 224 of the Companies Act, 1956, they would retire at the forthcoming 29th Annual General Meeting of the company, Being eligible, they have offered themselves for re-appointment. The Board recommends their re-appointment as auditors of the company for the financial year 2013-14.

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 judgment 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 Director had taken proper and sufficient care for the 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 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 Mumbai, Delhi and Ludhiana.

CORPORATE GOVERNANCE

The company has complied with the guidelines of SEBI on the matters relating to Corporate Governance. Additional report in this regard is furnished separately.

MANAGEMENT DISCUSSION AND 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 Company's venture Hotel North Park has been given on lease w.e.f. 26.09.2001 to M/s Hot Millions Food (P) Ltd. Chandigarh, a well known Restaurants and Fast Food chain in the region and the company is receiving a regular rental income.

The company proposes to expand its business activities and venture into the entertainment and amusement business. For this purpose the company is planning to construct a Hotel & Hospital adjoining the Hotel North Park.

The company is holding Land 2.636 Acres adjoining the existing Hotel North Park of the company and the company has acquired the 4.145 Acres of Land from M/s ARD Reality Private Limited adjoining the existing land. The construction of new 3 Star Hotel namely Pink Sand has been started on the above said Land. The Hotel shall have the 100 rooms, restaurant, Bar, banquet Hall and all other modern facilities of hospitality. And this will create a great strength in the company.

Permission for change of land use for construction of a Hotel in the revenue estate of Village Chowki, District Panchkula adjoining the Hotel North Park has been granted for the land measuring 7208 sqmt. by the Director Town and Country Planning Haryana vide letter dated 18.08.2011.

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.

Healthcare Trends in Tri City

- i) Currently, Chandigarh Tri city has four multi specialty hospitals Fortis, Ivy Hospital in Mohali, Alchemist in Panchkula and General Government Hospital in Chandigarh.
- ii) 55-60% of the private healthcare seekers in the tri city are from peripheral areas
- iii) Compared to the no. of hospitals, there remains an overload of cases

Need of Hospital in the Region

- ✓ Opening of technology parks has brought working population to the city which will need better healthcare facilities
- ✓ Industrial areas like Baddi, Pinjaur, Kharar and Zikarhpur do not have good health care Infrastructure.
- ✓ Panchula has only one healthcare provider, The Alchemist.

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.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company ensures existence of adequate internal control and procedure at various levels in the company commensurate with the size of the company and the nature of its business.

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) of the Companies Act, 1956.

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.

Acknowledgement

The Directors take this opportunity to thank the company staff members 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.

Place : Panchkula
Date : 12.08.2013

Sd/-
(A.R.Dahiya)
Chairman

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

As on date of this report, the Board of Directors consists of 8 members comprising of 1 (one) Executive Director and 7 (Seven) Non-executive Directors. The Chairman of the company is non-executive. Five Directors are independent non-executive directors.

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.

During the period under review, 6 (Six) Board Meetings were held. The date on which the Board meetings were held are as follows: 30th April 2012, 12th June, 2012, 31st July 2012, 25th August 2012, 31st October 2012, and 12th January, 2013.

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

Name of the Director	Number of Board Meetings held during the tenure of the Director	Number of Board meetings attended	Last AGM attendance
Sh. A.R.Dahiya	6	6	Yes
Sh. Amardeep Singh Dahiya	6	6	Yes
Sh. Pankaj Dahiya	6	6	Yes
Sh. Devender Jain	6	6	Yes
Sh. Gurmukh Singh	6	6	Yes
Sh. Vikas Tibrewal	6	6	No
Sh. Manbeer Choudhary	5	5	No
Dr. Vivek Sama	5	5	No

Number of other Boards and Committees in which a Director is a Member or Chairperson:-

Name	Designation	Category	Number of other Directorship	Total Number of Membership(s) in other board committees (*)	Number of chairmanship (s) in other board committees(*)
Sh. A.R.Dahiya	Chairman	Non Executive	4	-	-
Sh. Amardeep Singh Dahiya	Managing Director	Executive	5	-	-
Sh. Pankaj Dahiya	Director	Non Executive	1	-	-
Sh. Devender Jain	Director	Independent Non Executive	-	-	-
Sh. Gurmukh Singh	Director	Independent Non Executive	-	-	-
Sh. Vikas Tibrewal	Director	Independent Non Executive	-	-	-
Sh. Manbeer Chaudhary	Director	Independent Non Executive	2	-	-
Dr. Vivek Sama	Director	Independent Non Executive	2	-	-

*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.

3. AUDIT COMMITTEE

The broad terms of reference of the Audit Committee include all the matters provided in revised Clause 49 of the Listing Agreement and section 292A of the Companies Act 1956 which inter alia includes:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii. Approval of payment to statutory auditors for any others services rendered by the statutory auditors.
- iv. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be

included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

- b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- v. Reviewing with the management the quarterly financial statements before submission to the board for approval.
 - vi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - vii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - viii. Discussion with internal auditors any significant findings and follow up thereon.
 - ix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - x. Discussion with statutory auditors before the audit commences, about the nature and scope of audits as well as post audit discussion to ascertain any area of concern.
 - xi. To look into the reasons for substantial defaults in the payment to depositors, debenture holder, shareholders (in case of non payment of declared dividends) and creditors.
 - xii. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - xiii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee of the company constituted by the board of Directors of the company and during the financial year under report consisted of three directors namely Sh. Devender Jain (Chairman), Sh. Gurmukh Singh, Sh. Amardeep Dahiya as members. During the year under review, Audit Committee met on 30th April 2012, 31st July 2012, 31th October 2012, and 12th January 2013 and the attendance of members at the meetings was as follow:-

Name of Member	Status	No. of Meeting Attended
Sh. Devender Jain	Chairman	4
Sh. Amardeep Dahiya	Member	4
Sh. Gurmukh Singh	Member	4

4. 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 broad terms of reference of the Remuneration Committee include all the matters provided in Schedule XIII to the Companies Act, 1956 which inter alia includes approval of remuneration of Managing Director, Executive Directors, etc., after taking into account the financial position of the company, trends in the industry, appointee's qualification, experience, past remuneration, etc.

The Remuneration Committee of the company consisted of three directors namely Sh. Vikas Tibrewal (Chairman), Sh. Devender Jain and Sh. Gurmukh Singh, as members. During the year under review, Remuneration Committee met on 31st July, 2012, and 12th January, 2013 and the attendance of members at the meetings was as follow:-

Name of Member	Status	No. of Meeting Attended
Sh. Vikas Tibrewal	Chairman	2
Sh. Devender Jain	Member	2
Sh. Gurmukh Singh	Member	2

DETAILS OF REMUNERATION OF DIRECTORS FOR THE PERIOD ENDED 31ST MARCH 2013.

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 2012-13.

Remuneration payable to Managing Director has been duly approved by the remuneration committee, Board of Directors and by the members in their 27th Annual General Meeting held in 2011. Remuneration paid is within the limits as prescribed under schedule XIII of The Companies Act, 1956.

5. INVESTOR GRIEVANCES AND SHARE TRANSFER COMMITTEE

The company has constituted Investors Grievances and Share transfer 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.

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.

1. GENERAL BODY MEETINGS :

Location and time, where last three annual general meetings (AGM) held:

Financial year	Date	Time	Venue
2009-2010 26 th AGM	20.09.2010	9.00 A.M.	Hotel North Park, Panchkula
EGM by postal ballots	08.03.2011	3.00 P.M.	67, Industrial Area, Phase-I, Panchkula
EGM convened under direction of Honble High Court Punjab & Haryana	09.07.2011	11.00 A.M.	Hotel North Park, Panchkula
2010-2011 27 th AGM	30.12.2011	9.00 A.M.	Hotel North Park, Panchkula
2011-2012 28 th AGM	28.09.2012	9.00 A.M.	Hotel North Park, Panchkula

The company has passed a special resolution in the 26th Annual General Meetings of the company.

The company has passed resolution through postal ballot on 8th March 2011.

The Company has passed the Scheme of Arrangement u/s 391 & 394 of the Companies Act, 1956 for amalgamation of A.R.D. Private Limited with Polo Hotels Limited at the meeting convened under direction of Hon'ble High Court Punjab & Haryana on 9th July 2011.

The company has passed a special resolution in the 27th Annual General Meetings of the company.

6. DISCLOSURES

- a) Transactions with related parties are disclosed in detail in Note 23 annexed to the financial statements for the year. The company has not entered into transactions with inter related parties for sale & purchase of materials. The company has taken on rent office for Rs. 10000/- (Rs. Ten thousands only) per month at 67, Industrial Area, Phase-1, Panchkula from M/s Sumeru & Sehri a partnership firm in which Sh. A.R. Dahiya Chairman and Sh. Pankaj Dahiya, Director are Partners. The terms & conditions and prices at which office has been taken on rent are reasonable having regard to prevailing market prices at the relevant times. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the company at large.
- b) No penalty or strictures have been imposed on the company by the stock exchange or SEBI or any statutory authority in any matter related to capital market, for non-compliance by the company during the last three years.
- c) The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for indirect access to the Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee during the year under report.
- d) The company has complied with all mandatory requirements laid down by the Clause 49. The non-mandatory requirements complied with have been disclosed at the relevant places.

7. 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.

8. GENERAL SHAREHOLDERS INFORMATION:

- a) Annual General Meeting
Date : 23rd September, 2013
Time : 9.00 A.M.
Venue : Hotel North Park, Panchkula (Haryana)
- b) Financial Calendar (Tentative & Subject to Change)

Sr. No.	Particulars	Date
1	Financial Year Ending	31 st March, 2014
2.	I st Quarter Results	On or before 31 st July, 2013
3.	2 nd Quarter Results	On or before 31 st Oct., 2013
4.	3 rd Quarter Results	On or before 31 st Jan., 2014
5.	4 th Quarter Results	On or before 30 th April, 2014
6.	AGM for the period ending 31.03.2014	On or before 30 th Sept., 2014

Book Closure dates from 20.09.2013 to 23.09.2013 (both days inclusive)

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

e) At present the shares of the company are listed at Ludhiana, Delhi & Mumbai Stock Exchanges. The shares of the company have been traded at the Stock Exchange Mumbai. The shares of the company have been dematerialized. The ISIN allotted to the Company's shares is INE084C1012.

The company has never issued any GDRs / ADRs or warrants or any other convertible instruments.

The company has appointed share transfer agent as below :

M/s. LINK INTIME India Pvt. Ltd.

44, Community Centre, Nariana Industrial Area, Phase-I,

New Delhi - 110028

Tel. 011-41410592, 41410593, 41410594

f) The stock code at Mumbai Stock Exchange is 526687.

g) The Market Price of the share as quoted in BSE on 12.09.2013 was Rs. 38.55/- per share and last 52 weeks high and low of the share were Rs.63.70/- and Rs. 26/- per share respectively

DISTRIBUTION OF HOLDING AS ON 31.03.2013

Shareholding of	Number of Shareholders	% age of Total	Total Amount (Rs.)	%age
1 to 500	1517	88.5581	324472	3.8438
501 to 1000	129	7.5306	89159	1.0562
1001 to 2000	17	0.9924	26501	0.3139
2001 to 3000	6	0.3503	14613	0.1731
3001 to 4000	6	0.3503	22050	0.2612
4001 to 5000	4	0.2335	19000	0.2251
5001 to 10000	11	0.6421	82738	0.9801
10001 and above	23	1.3427	7862949	93.1465
TOTAL	1713	100.0000	8441482	100.00

	No. of Shareholders	No. of Shares	% shareholding
Physical	1243	10,08,870	11.951
NSDL	342	72,01,650	85.313
CDSL	128	2,30,962	2.736
Total	1713	84,41,482	100.00

SHAREHOLDING PATTERN AS ON 31.03.2013

Category of Shareholders	Number of Shares holders	Total Number of Shares	Number of shares held in dematerialised form	% age of shareholding
1. Shareholding of Promoters & Promoter Group	3	6319532	6319532	74.8628
2. Public Shareholding				
Bodies Corporates	26	130114	127114	1.5414
Individual Shareholders holding nominal share capital up to Rs. One Lakh	1660	548703	136683	6.5001
Individual Shareholders holding nominal share capital in excess of Rs. One Lakh	19	1426232	846982	16.8955
Directors & Relatives	2	14600	0	0.1730
Clearing Members	3	2301	2301	0.0273
Total Public Shareholding	1710	2121950	1113080	25.1372
Total Shareholding	1713	8441482	7432612	100.00

Hotel Location Hotel of the company is located at Village Chowki, Near Ghaggar Bridge, Panchkula (HR)

Address for correspondence Plot No. 67, Industrial Area, Phase-1, Panchkula (Haryana)
Tel. 0172-2560540, 2560205, Fax 0172-2571245

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Polo Hotels Ltd.

We have examined the compliance of conditions of corporate governance by M/s Polo Hotels Ltd. for the year ended 31st March 2013 as stipulated in the relevant clauses of the Listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of conditions of the corporate governance. It is neither a audit nor a expression of opinion on the financial statements of the company.

On the basis of the records and documents maintained by the company and the information and explanations given to us, in our opinion, the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreements with the Stock Exchanges.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by Shareholders and Investors Grievance Committee.

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

Place: Panchkula

Dated: 12.08.2013

(Ashwani K. Gupta)
Partner

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF M/S POLO HOTELS LIMITED****1. Report on the Financial Statements**

We have audited the accompanying financial statements of Polo Hotels Ltd. ("the Company"), which comprise of the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

4. 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

6. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2013;

(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.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, ("the Order") issued by the Central Government of

India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of 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 the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For ASHWANI K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE: PANCHKULA

DATED: 12-8-2013

(Ashwani K Gupta)

Partner

(M.No. 082808)

ANNEXURE TO THE AUDIT REPORT

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 7 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date

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. As there are no inventories during the year, therefore, reporting under clause ii of paragraph 4 of the order does not arise.

3. In respect of the loans, secured or unsecured, granted or taken by the Company, to/ from Companies/Firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 :

- a) As informed to us, the Company has granted unsecured loan to one party covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount outstanding & year end balance was Rs 2.00 Lacs.
- b) The terms and conditions of loan are prima facie not prejudicial to the interest of the Company.
- c) The loan is repayable on demand.
- d) Since the loan is repayable on demand, there are no overdue amount.
- e) The Company has taken unsecured loans from three Companies covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved and year end balance was Rs 309.68 lacs.
- f) The terms and conditions of loans are prima facie not prejudicial to the interest of the Company.
- g) The loan is repayable on demand.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In respect of transactions covered under section 301 of the Companies Act, 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register in pursuance of contracts or arrangements entered into the register in pursuance of section 301 of the Act, exceeding the value of Rupees five lacs in respect of any party during the year.
- 6 In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from Public attracting the provisions of sections 58A, 58AA or any other relevant provisions of the Act.
- 7 In our opinion and according to the Information and explanations given to us, the Company has an Internal audit system commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records u/s 209(1)(d) of the companies Act, 1956, for the Company.
9. In respect of Statutory Dues:
 - a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the statutory dues including Provident Fund, Income-Tax, and any other statutory dues as applicable with the appropriate authorities during the year.
 - b) There were no undisputed amounts payable in respect of Income-tax, Provident fund and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- 10 The Company has accumulated losses amounting to Rs 73.48 lacs as at the end of the financial year. The Company has not incurred cash losses during the current and the immediate preceding financial year.
- 11 The company does not have any borrowing by issue of debentures. In our opinion and according to information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks or financial institutions.
- 12 According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society, Therefore, the Provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14 In our opinion and according to the Information and explanation given to us the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 15 In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions during the year.
- 16 In our opinion and according to the information given to us, on overall basis, the term loans have been applied for the purposes for which the loans were raised.
- 17 According to the information and explanation given to us, the company and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the company has not

utilized any amount from short-term sources towards repayment of long-term investment. other than temporary deployment pending application.

- 18 The Company has not made any preferential allotment of shares to Parties and Companies covered in the register maintained u/s 301 of the Companies Act. 1956.
- 19 According to the information and explanations given to us, the company has not issued debentures during the year, requiring creation of security.
- 20 The Company has not raised any money by public issues during the year.
- 21 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.

**For ASHWANI K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE: PANCHKULA

DATED : 12-08-2013

(Ashwani k Gupta)

Partner

(M.No. 082808)

**M/S POLO HOTELS LTD.
BALANCE SHEET AS ON 31.03.2013**

PARTICULARS	Notes		As on 31.03.2013		As on 31.3.2012
<u>EQUITY AND LIABILITIES</u>					
<u>A) Shareholders' funds</u>					
Share Capital	1		134,853,640		134,853,640
Reserve and surplus	2		420,787,243		419,139,914
	(A)		555,640,883		553,993,554
<u>B) Share Application Money Pending Allotment</u>					
	(B)				
<u>C) Non-current liabilities</u>					
Long-term borrowings	3		85,732,383		62,526,983
Deferred tax liabilities(Net)			-		-
Other Long term liabilities	4		69,461,154		47,767,138
Long-term provision			-		-
	(C)		155,193,537		110,294,121
<u>D) Current liabilities</u>					
Short-term borrowing			-		-
Trade payables	5		4,283,184		1,641,236
Other current liabilities	6		6,027,542		4,892,054
Short-term provisions			-		-
	(D)		10,310,726		6,533,290
TOTALS (A+B+C+D)			721,145,146		670,820,965
<u>ASSETS</u>					
<u>Non-current assets</u>					
a) Fixed Assets					
-Tangible assets	7		564,873,653		564,123,626
-Intangible assets			-		-
-Capital Work in Progress	8		137,407,703		96,572,988
-Intangible assets under development					
b) Non-current investments	9		81,579		81,579
c) Deferred tax assets (net)			1,036,162		1,036,162
d) Long-term loans and advances	10		200,000		200,000
e) Other Non-current assets	11		3,227,046		3,257,387
	(E)		706,826,143		665,271,742
<u>Current assets</u>					
a) Current investment			-		-
b) Inventories			-		-
c) Trade receivables	12		1,929,990		1,300,348
d) Cash and bank balances	13		9,189,620		2,220,259
e) Short-term loans and advances	14		-		-
f) Other current assets	15		3,199,393		2,028,616
	(F)		14,319,003		5,549,223
TOTALS (E+F)			721,145,146		670,820,965

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO ACCOUNTS 1 to 28

AUDITOR'S REPORT

In terms of our separate Report of even date attached
For Ashwani K. Gupta & Associates
Chartered Accountants

Place: Panchkula

Dated: 12.08.2013

Ashwani K. Gupta
(Partner)

Director's

Director's

M/S POLO HOTELS LTD.

PROFIT & LOSS A/C FOR THE PERIOD ENDED 31.03.2013

Particulars	Notes	31.03.2013	31.3.2012
Income			
Revenue from operations(gross)		0	0
Less:excise duty		0	0
Revenue from operations(net)		0	0
Other income	16	8271495	7785710
Total revenue (I)		8271495	7785710
Expenses			
Cost of materials consumed		0	0.00
Changes in inventories of finished goods, work-in progress and stock-in -Trade		0	0
Employee benefits expense		0	0
Finance costs	17	3658266	3569424
Depreciation and amortization expense	18	1912774	1786291
Other expenses	19	665333	437985
Total expenses (II)		6236373	5793700
Profit before exceptional and extraordinary items and tax (I-II)		2035122	1992010
Less:-Exceptional items		0	0
Profit before extraordinary item and tax		2035122	1992010
Add:-Extraordinary item		0	0
Profit /loss before tax		2035122	1992010
Tax expenses			
Current tax		387793	368522
Previous Year Taxes			
Deferred tax			0
Total tax expenses		387793	368522
Profit/(loss) for the year from continuing operations (A)		1647329	1623488
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)		1647329	1623488

Place: Panchkula

Dated: 12.08.2013

Place: Panchkula

In terms of our Separate Report of even date attached
For Ashwani K. Gupta & Associates

Director

Director's

Ashwani K. Gupta
(Partner)

M/S POLO HOTELS LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR 2012-13

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 1		
<u>SHARE CAPITAL</u>		
<u>Authorised</u>		
<u>CCPS Capital</u>		
5250000 (P.Y. 5250000) CCPS of Rs 10.00 each	52500000	52500000.00
<u>Equity Capital</u>		
11000000 (P.Y. 11000000) Equity Shares of Rs.10.00 each	110000000	110000000.00
	162500000	162500000.00
<u>Issued Subscribed & Paid up</u>		
5043882(P.Y. 5043882) CCPS of Rs 10.00 each	50438820	50438820.00
8441482 (P.Y. 8441482) Equity shares of Rs 10.00 each	84414820	84414820.00
5043882 Compulsory Convertible Preference Shares (CCPS) allotted during the year 2011-12 as fully paid up Shares to Shareholders of ARD Realty Pvt. Ltd. for consideration other than cash pursuant to the scheme of Amalgamation		
5043882 Equity Shares allotted during the year 2011-12 as fully paid up Shares to Shareholders of ARD Realty Pvt. Ltd. for consideration other than cash pursuant to the scheme of Amalgamation		
Equity Share Application Money Received	-	-
TOTAL	134853640	134853640.00
(A) Reconciliation of Number of Shares		
Shares Outstanding as at 01.04.2012/ 01.04.2011	8441482	3397600
Shares Outstanding as at 31.03.2013/ 31.03.2012	8441482	8441482
(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	4481174	4481174
AMARDEEP SINGH DAHIYA	1791558	1791558

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 2 <u>Reserve and surplus</u>		
Securities premium account	495006580	495006580
Share Premium @ Rs 49.07 per share on 5043882 Equity Shares & 5043882 Compulsory Convertible Preference Shares (CCPS) allotted during the year 2011-12 as fully paid up Shares to Shareholders of ARD Realty Pvt. Ltd. for consideration other than cash pursuant to the scheme of amalgamation		
Less: Adjustment on a/c of Amalgamation	66871220	66871220
Surplus in the statement of profit and loss		
Balance as per last financial statements(Debit)	(8995446)	(10618934)
Add: Profit for the year	1647329	1623488
Less: Appropriations		
Net surplus in the statement of profit and loss(Debit)	1647329	1623488
Closing Balance(Debit)	(7348117)	(8995446)
Total	420787243	419139914

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 3 <u>Long - term borrowings</u>		
Term loans		
From Banks		
Allahabad Bank T/L	24408941	0
HDFC Car Loan	879905	0
From NBFC		
Religare Finvest Ltd.	60443537	62526983
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 Finvest Ltd.) over Land and Building of Hotel North Park. The Term Loan is proposed to be repaid in 28 structured quarterly Instalments commencing from end of June 2015 quarter after moratorium period of 30 months . Rate of Interest is BR+2.50% with reset of interest spread after 3 years from the date of first disbursement. The Term Loan is also secured by way of Personal guarantee of Managing Director and two wholtime directors of the Company		

Car loan from HDFC bank is secured by way of Hypothecation of Car

Term Loan from Religare Finvest Ltd. is secured as under:

- i) Assignment of Lease Income Receivables
- ii) First Charge on the hotel property 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

Total	85732383	62526983
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PARTICULARS	As on 31.03.2013	As on 31.3.2012
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Note 4

Other Long - term Liabilities

a) Trade payables	0	0
b) Others	0	0
Other liability	5785975	3935975
From Related parties	63675179	43831163

Total	69461154	47767138
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PARTICULARS	As on 31.03.2013	As on 31.3.2012
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Note 5

Trade payable

Sundry Creditors

Others	4283184	1641236
Miero Small & medium Enterprises		

Total	4283184	1641236
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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 31.03.2013	As on 31.3.2012
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Note 6

Other current liabilities

a) Current maturities of long -term debts	3695556	2615000
b) Current maturities of finance lease obligations		
c) Interest accrued but not due on obligations	764231	796328
d) Interest accrued and due on borrowing		
e) Other payables	0	900930
- Statutory Liabilities	1567755	579796

Total	6027542	4892054
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SCHEDULE 'D' FIXED ASSETS AS ON 31.03.13

Note 7

Particulars	Original cost as on 1/4/2012	Additions Before sept	addition after sept	Total as on 31/03/2013	DEPRECIATION			WRITTEN DOWN VALUE	
					Upto 31/03/2012	For the Year	Upto 31/03/2013	As on 31/03/2013	As on 31/03/2012
Land & Site Development	540,803,978	-	-	540,803,978	-	-	-	540,803,978	540,803,978
Building	32,737,519	-	-	32,737,519	15,010,663	1,093,433	16,104,097	16,633,422	17,726,856
Plant & Machinery	14,586,484	2,662,801	-	17,249,285	9,303,693	819,341	10,123,034	7,126,251	5,282,791
Furniture & Fixtures	6,200,048	-	-	6,200,048	5,890,046	-	5,890,046	310,002	310,002
Total	594,328,029	2,662,801		596,990,830	30,204,402	1,912,774	32,117,177	564,873,653	564,123,627
Previous Year	66,079,029	528,249,000		594,328,029	28,418,111	1,786,291	30,204,402	564,123,627	37,660,918

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 8		
Capital Work In Progress	137407703	96572988
Capital Work In Progress includes		
a) Borrowing Cost of the year capitalised Rs.6910963/-		
b) Other Expenses Capitalised Rs.33923752/-		
Total	137407703	96572988

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 9		
Non -current investments	81579	81579
Total	81579	81579

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 10		
Long-term Loans, and advances		
a) Capital advances	0	0
b) Deposit with Related Parties	200000	200000
c) Deposits with Others	0	0
d) Others	0	0
Total	200000	200000

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 11		
Other Non current assets		
Long term Trade Receivable	0	0
Unamortized expenditure	3227046	3257387
Others	0	0
Total(A+B+C)	3227046	3257387

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 12		
Trade receivable		
Unsecured, considered good	1929990	1300348
(Includes an amount of Rs. Nil(P.Y. Rs. NIL) outstanding for a period exceeding six months from the date they are due for payment)		
Total	1929990	1300348

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 13		
<u>Cash and cash equivalents.</u>		
Balance with banks in Current A/c	9179677	2210391
Cash in Hand	9943	9868
Total	9189620	2220259
PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 14		
<u>Short-term Loans, and advances</u>		
Loans & Advances	0	0
FDR	0	0
Total	0	0

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 15		
<u>Others current assets</u>		
Advance Recoverable In cash or in kind or for value to be received)	2172893	1105774
Security Deposits	860898	808008
TDS (Net of Provision)	165602	114834
Total	3199393	2028616
PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 16		
<u>Other income</u>		
Lease income	8212728	7677114
other	58767	108596
Total	8271495	7785710

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 17		
<u>Finance costs</u>		
Interest	3647282	3540878
Bank charges	10984	28546
Total	3658266	3569424

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 18		
<u>Depreciation and amortization expense</u>		
Depreciation of tangible assests	1912774	1786291
Amortization of intangible assets		
Total	1912774	1786291

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 19		
<u>Other Expenses</u>		
Selling & Administrative Expenses	578910	340056
Auditor's Remuneration	28090	28090
Deferred Revenue expenditure written off	30341	30341
Share Registry Exp.	27992	39498
Total	665333	437985

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 20		
Payment to auditors		
Statutory Audit Fee	15000	15000
Tax Audit Fee	10000	10000
Service Tax	3090	3090
Total	28090	28090

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 21		
Earning Per Share		
Amounts used as numerators	1647329	1623657
Net profit after tax available for Equity Shareholders		
Weighted average no of Equity Shares	5499218	5499218
Basic & diluted earnings per share	0.30	0.29

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 22		
Segment reporting		
The gross Turnover of the Company is from Lease Income as the only venture of the Company, Hotel North park has been given on Lease. Therefore, there are no reporting requirements as per AS-17 issued by ICAI.		
	0	0

PARTICULARS		
Note 23		
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.		
Key Management Personnel		
A.R.Dahiya		
Pankaj Dahiya		
Amardeep Dahiya		
Related party Disclosure for the year 2011-12		
	Associate	Key management Personnel
Salary to M.D.		1200000
outstanding due	30967776	32707403
outstanding receivable	200000	0
Rent paid	120000	0
	31287776	33907403

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 24		
The Company is governed by the provisions of section 115 JB of the Income Tax Act, 1961. Since, there is no taxable Income under the normal computation, accordingly provision for Income Tax has been made under the provisions for Minimum Alternate tax (MAT) considering the profit for the year ending 31-03-2013		
Total	0	0

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note 25		
Retirement Benefits in the form of provident Fund are charged to the Profit & Loss a/c/ capital work in progress of the year in which the contributions to the respective Funds are due.		
Total	0	0

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note26 As per AS-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of india and as a matter of prudence the deferred tax adjustments have not been recognised in the a/cs		
Total	0	0

PARTICULARS	As on 31.03.2013	As on 31.3.2012
Note27 Contingent Liabilities & Commitments		
Guarantee in favour of Pollution Control Board	600000	600000
Commitments	332600000	315000000
Total	275600000	315600000

Place: Panchkula

Dated: 12.08.2013

In terms of our Separate Report of even date attached
For Ashwani K. Gupta & Associates

Ashwani K. Gupta
(Partner)

Director

Director

M/S POLO HOTELS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	2012-13 (Rs in Lakhs)	2011-12 (Rs in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES :-		
NET PROFIT AS PER PROFIT & LOSS A/C	2035122	1992010
ADJUSTMENTS FOR :-		
DEPRECIATION	1912774	1786291
UNAMORTIZED EXPENDITURE	30341	30341
INTEREST	3647282	3540878
CASH FLOW FROM OPERATION (Before adj. Of C.A. and C.L.)	7625520	7349520
ADJUSTMENTS FOR :-		
TRADE RECEIVABLE & LOAN & ADVANCES	(1800419)	(2314449)
INVENTORIES	0	0
TRADE PAYABLE & OTHER CURRENT LIABILITIES	3777436	1655474
CASH FLOW FROM OPERATION (Before Tax)	9602536	6690545
ADJUSTMENTS FOR :-		
TAX PAID DURING THE YEAR	(387793)	(368522)
NET CASH FROM OPERATING ACTIVITIES	9214743	6322023
B) CASH FLOW FROM INVESTING ACTIVITIES:-		
FIXED ASSETS ACQUIRED PURSUANT TO SCHEME OF AMALGAMATION	0	(528249000)
OTHER FIXED ASSETS	(2662801)	0
CAPITAL WORK IN PROGRESS	(40834715)	(46881714)
SALES OF FIXED ASSETS	0	0
FDR REALISED	0	3022287
SALE/(PURCHASE) OF INVESTMENT	0	0
NET CASH FROM INVESTING ACTIVITIES	(43497516)	(572108427)
C. CASH FLOW FROM FINANCING ACTIVITIES:-		
INCREASE IN TERM LOAN	23205400	24524736
PROCEEDS FROM SHARE ALLOTMENT PURSUANT TO SCHEME OF AMALGAMATION	0	100877640
PROCEEDS FROM SECURITIES PREMIUM PURSUANT TO SCHEME OF AMALGAMATION	0	428135360
INCREASE IN LONG TERM LIABILITY	21694016	13852699
INTEREST PAID	(3647282)	(3540878)
NET CASH FROM FINANCING ACTIVITIES	41252134	563849557
CHANGE IN CASH & CASH EQUIVALENT (A+B+C)	6969361	(1936847)
OPENING BALANCE OF CASH & CASH EQUIVALENT	2220259	4157106
CLOSING BALANCE OF CASH & CASH EQUIVALENT	9189620	2220259

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

**FOR ASHWANI K GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS**

(ASHWANI K GUPTA)

Director

Managing Director

**Place : Panchkula
Dated : 12-08-2013**

M/S POLO HOTELS LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. The accounts of the company are prepared under the historical cost convention and materially comply with mandatory accounting standards issued by the institute of Chartered Accountants of India. The significant accounting policies followed by the Company are stated below;
2. **Use of Estimates**
The preparation of 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, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based on the management evaluations of the relevant facts and the circumstances as on the date of the financial statements. Actual results could differ from these estimates.
3. **Fixed Assets:**
Fixed assets have been carried at historical cost, inclusive of incidental expenses, less accumulated depreciation.
4. **Impairment of Assets**
The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to recoverable amount and the impairment loss is charged to Profit and Loss Account. If, at Balance Sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.
5. **Depreciation:**
Depreciation on fixed assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 over their useful life.
6. **Inventories:**
Inventories are Nil as the Company's only venture Hotel North Park has been given on lease and operations are being managed by Lessee.
7. **Revenue Recognition**
Revenue from Lease Income is recognized as per the terms of Lease agreement.
8. **Investments:**
Long term investments are stated at cost.
9. **Miscellaneous Expenditure:**
Deferred Revenue Expenditure is being written off in the ratio of 1/15th every year i.e. over the total lease period.

10. Borrowing Costs:

Borrowing costs that are directly attributable to qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

11 Accounting for Taxes on Income:**Income Tax:**Current Taxation-

Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

Deferred Taxation-

Deferred income tax is provided on all timing differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date.

12 Provisions and Contingent Liabilities:

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration Details			
	State code	05	Registration No.	0032355
	Balance sheet date	Date	Month	Year
		31	03	2013
2.	Capital raised during the year (Amount in Rs. Thousand)			
	Public issue	000000000	Right issue	000000000
		000000000	Private issue	000000000
3.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)			
	Total Liabilities	000721145	Total Assets	000721145
	Sources of Funds			
	Paid-up capital	000134853	Share Application Money	000000000
	Reserve & Surplus	000420787	Secured Loans	000085732
	Unsecured Loans	000069461		
	Application of Funds	000721145		
	Net Fixed Assets	000564873	Investments	000000082
	Net Current Assets	00014319	Misc. Expenditure	000003227
	Accumulated losses	000007349		
4.	Performance of Company (Amount in Rs. Thousand)			
	Turnover including other income	000008271	Total Exp.	000006236
	Profit/Loss before tax	000002035	Profit after tax	000001647
	Earning per share in Rs.	00.20	Dividend Rate %	00
	Generic Names the Principal Services of Company			
	Item Code No.	N.A.		
	Service Description	HOTELIERS		

If undelivered, please return to :

Polo Hotels Limited

Regd. Office : Hotel North Park,
Village Chowki, P.O. Devi Nagar,
Panchkula-134 109 Haryana

