



To

The Board of Directors  
Polo Hotels Limited  
Panchkula

We have reviewed the accompanying statement of unaudited financial results of Polo Hotels Limited ("the Company") (hereinafter referred to as "the Statement") for the quarter and half year ended 30th September, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone quarterly as well as year to date financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and the relevant requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim financial information performed by Independent Auditors of the Entity" issued by the Institute of Chartered Accountant of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

#### Basis of Qualified Opinion

1. The company has provided depreciation on the basis of revised useful lives taken on new technical estimate. The Company had provided depreciation on the basis of useful life specified in Schedule II of the Companies Act, 2013 depreciation would have been lower by Rs 0.25 lakhs with consequential effect on the Property, Plant & Equipment. As a result, Loss for the period is overstated by Rs. 0.25 Lakhs and the Property, Plant & Equipment is lower by Rs. 0.25 lakhs.
2. As informed to us, the Company had given a corporate guarantee of Rs. 525 Lakhs for Credit Facilities availed by M/s ASD Tobacco Pvt. Ltd., a related party of the company. The said account had become NPA and company as a guarantor had received a notice from the bank to discharge its liability the management is hopeful that no liability on the company will arise due to the said account becoming NPA and consequently no provision for the said liability has been made in the books of accounts of the company.



### Emphasis of Matter

The Company received notice issued under Sec. 13(2) of the Securitisation and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 from Allahabad Bank, Religare Finvest Ltd. and Deewan Housing Finance Ltd, in respect of credit facilities availed from the said lenders.

With respect to credit facilities availed by the Company from Religare Finvest Ltd., the lender assigned its debt to Pheonix ARC Private Limited. The Company entered into Memorandum of Understanding with the said assignor and agreed to pay an amount of Rs. 131.64 lakhs, payable over a period of 4 - 5 years in varied instalments. The Company issued three cheques for repayment of loan but due to paucity of funds, the said cheques got dishonoured and as a result, the assignor served a legal notice upon the Company u/s 138 of the Negotiable Instruments Act, 1881. The Company is undertaking legal opinion on the same and the management is hopeful that no additional liability would arise on the Company due to said action of the assignor.

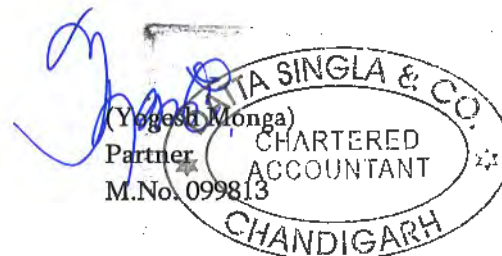
From the date of declaration of above mentioned loans as non-performing assets by the respective lenders, the Company has computed interest on above loans by considering applicable rate of the lenders on estimated basis and with respect to credit facilities assigned to Pheonix ARC Private Limited, interest has been provided for on the basis of MoU signed, which is effective from June 2018, and total interest thus computed during the relevant quarter amounted to Rs. 187.25 Lakhs. The borrowing cost on above mentioned credit facilities, along with other credit facilities availed from HDB Financial Services, amounting to Rs. 192.71 Lakhs, has been capitalized during the reporting period.

### Qualified Opinion

Subject to the qualification above, in our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard; and
- (ii) gives a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net profit/(loss), total comprehensive income and other financial information for the quarter and the half year ended 30<sup>th</sup> September, 2018.

For DATTA SINGLA & CO.  
Chartered Accountants  
Firm Regn. No. 006185N



PLACE: CHANDIGARH  
DATE: 14.11.2018

# POLO HOTELS LTD.

Regd. Off. : Hotel North Park, Near Ghaggar Bridge, Sector 32,  
Panchkula - 134 108 (Haryana)  
Phone : 9041953535, 9041963636  
E-mail : polohotel@gmail.com, Website : polohotelsltd.com  
CIN No. L55101HR1994PLC032355



## POLO HOTELS LIMITED

(Rs. In Lakhs)

### Balance Sheet As At 30th September, 2018

Particulars	As At 30-Sep-18	As At 31-Mar-18
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	5,651.06	5,658.24
Capital Work-in-Progress	8,794.90	8,422.30
Intangible Assets	-	-
<b>Financial Assets</b>		
Investments	0.82	0.82
Trade Receivables	50.92	50.92
Other Financial Assets	97.91	96.91
Other Non-Current Assets	-	-
<b>Total Non Current Assets</b>	<b>14,595.61</b>	<b>14,229.19</b>
<b>Current Assets</b>		
Inventory	13.72	22.58
<b>Financial Assets</b>		
Investments	-	-
Trade Receivables	5.72	4.82
Cash and Cash Equivalents	39.27	49.94
Other Financial Assets	65.03	74.38
Deferred Tax Assets (net)	-	-
Other Current Assets	-	-
<b>Total Current Assets</b>	<b>123.74</b>	<b>151.71</b>
<b>Total Assets</b>	<b>14,719.35</b>	<b>14,380.90</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	2,237.43	2,237.43
Other Equity	4,244.37	4,265.63
<b>Total Equity</b>	<b>6,481.79</b>	<b>6,503.05</b>

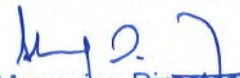
#### Liabilities

##### Non-Current Liabilities

Financial Liabilities



For Polo Hotels Ltd.

  
Managing Director

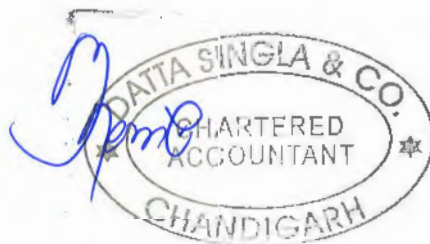


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Borrowings	133.11	144.93
Other Financial Liabilities		
Liabilities	826.06	829.00
Other Non-Current Liability	-	-
Provisions	-	-
Deferred Tax Liabilities (net)	-	-
<b>Total Non-Current Liabilities</b>	<b>959.17</b>	<b>973.93</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	5,890.00	5,788.54
Trade Payables	226.07	218.75
Other Financial Liabilities		
Liabilities	1,054.25	787.04
Other Current Liabilities	107.67	109.19
Provisions	0.39	0.39
Current Tax Liabilities (net)	-	-
<b>Total Current Liabilities</b>	<b>7,278.39</b>	<b>6,903.92</b>
<b>Total Equity and Liabilities</b>	<b>14,719.35</b>	<b>14,380.90</b>



For Polo Hotels Ltd.

  
Managing Director





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M/S POLO HOTELS LTD							(Rs. In Lakhs)
S. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	<b>Income from Operations</b>						
	Net sales	34.74	43.54	31.97	78.28	72.94	168.31
II	Other Income	3.74	0.12	2.39	3.86	2.40	5.00
III	<b>Total Income (I + II)</b>	<b>38.48</b>	<b>43.67</b>	<b>34.37</b>	<b>82.14</b>	<b>75.34</b>	<b>173.31</b>
IV	<b>Expenses</b>						
	(a) Cost of Materials consumed	16.56	20.07	22.72	36.63	41.70	98.31
	(b) Purchase of Stock in Trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-
	(d) Employee benefits expense	7.45	10.30	6.80	17.75	12.31	25.81
	(e) Finance costs	1.38	0.42	0.89	1.80	6.90	3.31
	(f) Depreciation and amortisation expense	3.59	3.59	3.59	7.18	7.18	14.36
	(g) Other expenses	20.21	19.83	15.32	40.04	30.23	72.38
	<b>Total Expenses (IV)</b>	<b>49.19</b>	<b>54.21</b>	<b>49.32</b>	<b>103.40</b>	<b>98.32</b>	<b>214.17</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>	<b>-10.72</b>	<b>-10.54</b>	<b>-14.95</b>	<b>-21.26</b>	<b>-22.98</b>	<b>-40.87</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit from ordinary activities before tax (V - VI)</b>	<b>-10.72</b>	<b>-10.54</b>	<b>-14.95</b>	<b>-21.26</b>	<b>-22.98</b>	<b>-40.87</b>
VIII	Tax Expense	-	-	-	-	-	-
IX	Deferred Tax Assets related to earlier years written off	-	-	-	-	-	10.36
X	<b>Profit (Loss) for the period from continuing operations (VII-VIII- IX)</b>	<b>-10.72</b>	<b>-10.54</b>	<b>-14.95</b>	<b>-21.26</b>	<b>-22.98</b>	<b>-51.23</b>
	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-
	Items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-
XI	<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XII	<b>Total Comprehensive Income for the period (X+XI)</b>	<b>-10.72</b>	<b>-10.54</b>	<b>-14.95</b>	<b>-21.26</b>	<b>-22.98</b>	<b>-51.23</b>
XIII	Earnings per Share (EPS) (Equity shares of Re. 10/- each fully paid up)	223.74	223.74	223.74	223.74	223.74	223.74
	a) Basic	(0.05)	(0.05)	(0.07)	(0.10)	(0.10)	(0.23)
	b) Diluted	(0.05)	(0.05)	(0.07)	(0.10)	(0.10)	(0.23)



For Polo Hotels Ltd.

*[Signature]*  
Managing Director



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## Notes:

1. The Company adopted Indian Accounting Standards (Ind-AS) w.e.f<sup>1st</sup> April 2017 with the transition date of 1<sup>st</sup> April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-AS 34)- Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
2. Revenue from operations for the current period is not strictly comparable with the previous reported period since the revenue for the current period is net of Goods and Service Tax (GST) in compliance with statutory requirement for the current period.
3. The construction of the new hotel has been stalled due to shortage of funds. The Company is in the process of mobilising the requisite funds.
4. There is no separate reportable segment pursuant to Ind AS 108 "Operating Segment" issued by Institute of Chartered Accountants of India as the company presently operates in only one segment i.e. Hotel.
5. 88,88,889 Equity shares of Rs.10 each were issued at a premium of Rs.1.25 during the previous financial year to the promoters, but in principal approval for listing of shares is still awaited from BSE/SEBI.
6. The company has provided depreciation on the basis of revised useful lives taken on new technical estimate. If the company had provided depreciation on the basis of useful life specified in Schedule II of the Companies Act, 2013 depreciation would have been lower by Rs. 0.25 lakhs for the relevant quarter with consequential effect on the Property, Plant & Equipment. As a result, Loss for the relevant quarter is overstated by Rs. 0.25 Lakhs and the Property, Plant & Equipment is lower by Rs. 0.25 lakhs.
7. The company had given corporate guarantee to the Bank of India for fund based Limits of Rs.525 lacs availed by M/s ASD Tobacco Pvt. Ltd., a related party of the company. The said account had become NPA and company as a guarantor had received a notice from the bank to discharge its liability. M/s ASD Tobacco Pvt Ltd. is pursuing bank for settlement of dues and has given a compromise offer for settlement of dues with initial deposit of Rs. 1.40 cr. The management is hopeful that no liability on the company will arise due to the said account becoming NPA and consequently no provision for the said liability has been made in the books of accounts of the company.
8. As reported earlier, the Company received notice issued under Sec. 13(2) of the Securitisation and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 from Allahabad Bank, Religare Finvest Ltd. and Deewan Housing Finance Ltd, in respect of credit facilities availed from the said lenders.

With respect to credit facilities availed by the Company from Religare Finvest Ltd., the lender



For Polo Hotels Ltd.  
*[Signature]*  
Managing Director





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assigned its debt to Pheonix ARC Private Limited. The Company entered into Memorandum of Understanding with the said assignor and agreed to pay an amount of Rs. 131.64 lakhs, payable over a period of 4-5 years in varied instalments. The Company issued three cheques for repayment of loan but due to paucity of funds, the said cheques got dishonoured and as a result, the assignor served a legal notice upon the Company u/s 138 of the Negotiable Instruments Act, 1881. The Company is undertaking legal opinion on the same and the management is hopeful that no additional liability would arise on the Company due to said action of the assignor.

From the date of declaration of above mentioned loans as non-performing assets by the respective lenders, the Company has computed interest on above loans by considering applicable rate of the lenders on estimated basis and with respect to credit facilities assigned to Pheonix ARC Private Limited, interest has been provided for on the basis of MoU signed, which is effective from June 2018, and total interest thus computed during the relevant quarter amounted to Rs. 187.25 Lakhs. The borrowing cost on above mentioned credit facilities, along with other credit facilities availed from HDB Financial Services, amounting to Rs. 192.71 Lakhs, has been capitalized during the reporting period.

9. The Company has defaulted in making statutory payments like EPF, ESI, GST, VAT etc. due to shortage of funds being faced by the Company.
10. Previous period figures have been regrouped/recast, wherever necessary, to conform to the current period classification.

For and on behalf of Polo Hotels Ltd.

**For Polo Hotels Ltd.**

(AMARDEEP DAHIYA)  
**Managing Director**

Managing Director & CEO



Place: Panchkula

Date: 14.11.2018

