

# POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Regd. Off : 303/4/5, A to Z Industrial Premises, G. K. Marg, Lower Parel (W),  
Mumbai - 400013 (India)

CIN NO. L72200MH1984PLC094539

September 25 , 2020

## **BSE Limited**

1<sup>st</sup> Floor, New Trading Wing,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort,  
Mumbai - 400001  
**Scrip Code:** 540717

## **Metropolitan Stock Exchange of India Ltd**

Vibgyor Towers, 4<sup>th</sup> Floor,  
Plot No.C-62, G- Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400098  
**Symbol:** PQIF

**Subject:** Submission of Annual Report for the Financial Year 2019-20.

Dear Sir,

In Compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2019-20 which includes the Notice of the 36<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, October 20, 2020.

The Annual Report is available on the website of the Company at <http://poloqueen.com/annual-reports.php>.

The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

This is for your information and records.

Thanking You,

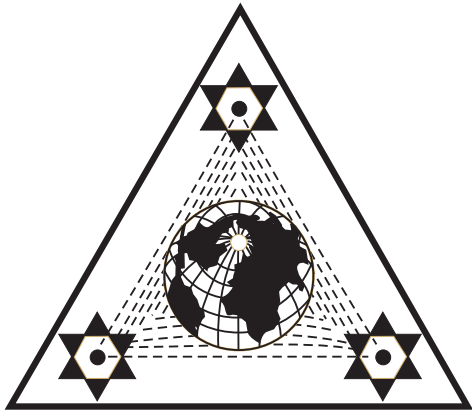
Yours truly,

**For Polo Queen Industrial and Fintech Limited**

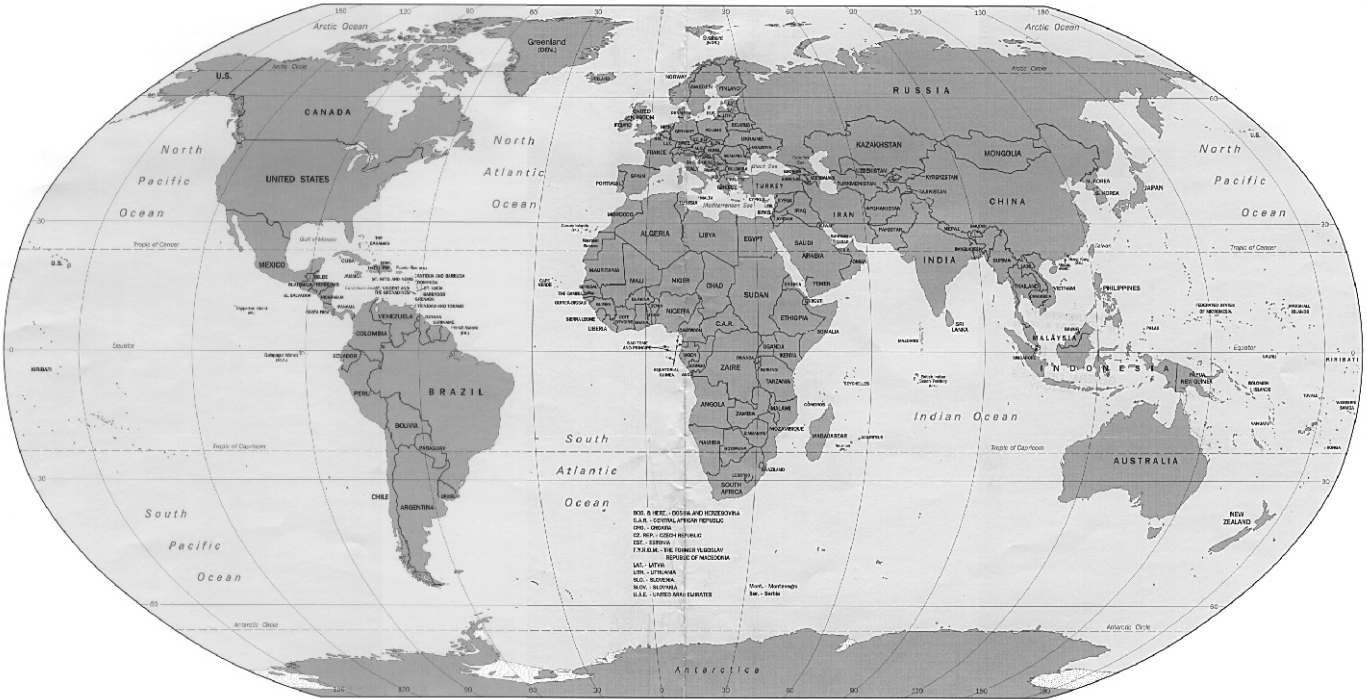
*Vandana*  
**Vandana Yadav**  
**Company Secretary**



**Encl:** a/a



From the house of  
**Rajkamal<sup>®</sup>**



**36th ANNUAL REPORT  
2019 - 2020**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**



## **POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

<b>BOARD OF DIRECTORS</b>	: Mr. Nandlal Sanghai	: Non- Executive Director
	Mr. Umesh Agarwal	: Whole Time Director
	Mr. Prabhas Sanghai	: Non- Executive Director
	Mr. Rahul Kumar Sanghai	: Non- Executive Director
	Mr. Udit P. Sanghai	: Whole Time Director & CFO
	Mr. Aspi Katgara	: Independent Director
	Mr. Natwarlal Gaur	: Independent Director
	Mr. Aftab Diamondwala	: Independent Director
	Ms. Feroza Panday	: Independent Director
	Mr. Shridatta Haldankar	: Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER** : Ms. Vandana Yadav

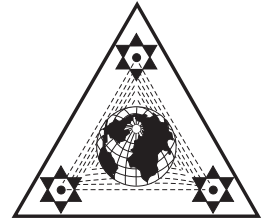
**BANKERS** : Central Bank of India  
State Bank of India

**STATUTORY AUDITOR** : M/s. Gupta Raj & Co., Chartered Accountants  
2-C, Mayur Apartments, Dadabhai Cross Road No.3,  
Vile Parle (West), Mumbai - 400056.  
Tel.: 022 26210901/26210902  
E-mail: ca.nikuljalan@guptaraj.com

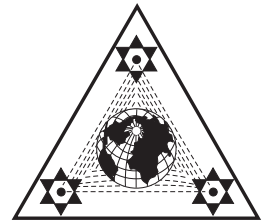
**INTERNAL AUDITOR** : M/s. Janak Mehta, Chartered Accountants  
Unit No. 8, Swastik Plaza, V. L. Mehta Road,  
Next to Kalaniketan, Vile Parle (West), Mumbai - 400049.  
Tel.: 022 26184030 E-mail: cajanakmehta@gmail.com

**REGISTRARS AND SHARE TRANSFER AGENTS** : Satellite Corporate Services Private Limited  
Office No. 106 & 107, Dattani Plaza, East West Compound,  
Andheri Kurla Road, Sakinaka, Mumbai - 400072.  
Tel: 022-28520461/462 Email: service@satellitecorporate.com

**REGISTERED OFFICE** : 304, A to Z Industrial Estate, Ganpatrao Kadam Marg,  
Lower Parel, Mumbai- 400 013.  
Tel: 022 24935421/24817001 Fax: 022 24935420/24817047  
E-mail: info@poloqueen.com Website: www.poloqueen.com



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## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

**NOTICE** is hereby given that the Thirty Sixth Annual General Meeting of the Shareholders of Polo Queen Industrial and Fintech Limited will be held on Tuesday, 20th October, 2020, at 3.00 p.m. through Video Conference (“VC”)/ Other Audio-Visual Means (“OAVM”) facility to transact the following items of business. The deemed venue of the meeting shall be the registered office of the company 304, A to Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai- 400 013.

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited standalone financial statements for the financial year ended March 31, 2020, and the reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements for the financial year ended March 31, 2020, and the report of the Auditors thereon.
3. To appoint a Director in place of Mr. Udit Sanghai (DIN 06725206), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rahul Kumar Sanghai (DIN 00181745), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **5. Appointment of Ms. Feroza Panday as an Independent Director.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, and

Regulation 17 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, Ms. Feroza Panday (DIN 00232812) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from February 5, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and Article 40 of the Articles of Association of the Company and whose appointment as Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from February 5, 2020 to February 4, 2025 and the term shall not be subject to retirement by rotation.”

#### **6. Approval of Related Party Transactions**

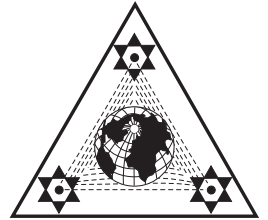
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company's Policy on Related Party transaction(s) and pursuant to the approval of the Audit Committee and the Board of Directors, consent of the Members be and is hereby accorded for ratification / approval of material related party transactions entered into by the Company with related parties as set out in the explanatory statement annexed hereto;





36<sup>th</sup> ANNUAL REPORT



## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the

proposed transactions and the terms and conditions relating thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

Place : Mumbai  
Date : September 14, 2020

By Order of the Board of Directors  
VANDANA YADAV  
COMPANY SECRETARY  
(Membership No. - A40717)

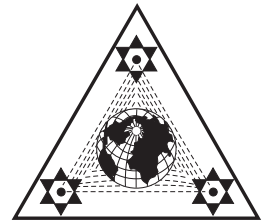


## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### NOTES FOR SHAREHOLDERS' ATTENTION:

1. An Explanatory Statement setting out all the material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 36th AGM of the Company is being convened and conducted through VC.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM for this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The Company has enabled the Members to participate at the 36th AGM through the VC facility provided by Satellite Corporate Services Private Limited, Registrar and Share Transfer Agents by using their remote e-voting login credentials and selecting the EVSN (e-Voting Sequence Number) for Company's AGM the instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
6. In addition to the above, the proceedings of the 36th AGM will be web-cast live for all the shareholders as on the cut-off date i.e. Tuesday, October 13, 2020. The shareholders can visit [www.evotingindia.com](http://www.evotingindia.com) and login through existing user id and password to watch the live proceedings of the 36th AGM on Tuesday, October 20, 2020 from 3.00 pm IST onwards.
7. As per the provisions under the MCA Circulars, Members attending the 36th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 36th AGM being held through VC.
9. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

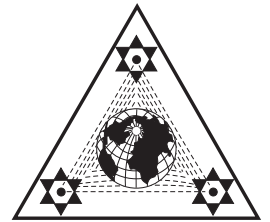


## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

10. The Company has appointed Mrs. Grishma Khandwala, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
11. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 36th AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 36th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
12. Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM, on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [gkhandwala@yahoo.com](mailto:gkhandwala@yahoo.com) with a copy marked to [service@satellitecorporate.com](mailto:service@satellitecorporate.com).
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. The Register of Members and Share Transfer books will remain closed from Wednesday, October 14, 2020 to Tuesday, October 20, 2020 (both days inclusive).
15. In line with the MCA Circulars, the notice of the 36th AGM along with the Annual Report 2019-20 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2019-20 will also be available on the Company's website at [www.poloqueen.com](http://www.poloqueen.com) /, websites of the Stock Exchanges i.e. BSE Limited and Metropolitan Stock Exchange at [www.bseindia.com](http://www.bseindia.com) and [www.msei.in](http://www.msei.in) respectively, and on the website of Satellite Corporate Services Limited at <https://www.satellitecorporate.com>.
16. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Satellite Corporate Services Limited, (R&TA), Office No. 106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Sakinaka, Mumbai - 400072.
17. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address by sending an email to [secretarial@poloqueen.com](mailto:secretarial@poloqueen.com) / [service@satellitecorporate.com](mailto:service@satellitecorporate.com).
18. Statutory Registers and documents referred to, in the Notice and Explanatory statement are open for inspection by the Members at the Registered office of the Company on all days (excluding Saturdays and Sundays) between 11.00 a.m to 1.00 p.m upto the date of the 36th Annual General Meeting.
19. Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2), with respect to Directors seeking appointment/re-appointment at the 36th Annual General Meeting is annexed to this Notice.
20. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.



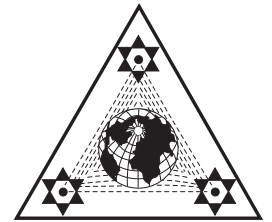


## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

21. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Satellite Corporate Services Limited, (R&TA), Office No. 106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Sakinaka, Mumbai - 400072.
22. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon. Kindly submit self-attested copy of cancelled cheque, Adhaar Card and Pan card along with request for consolidation of folios.
23. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
24. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:-
  - a) the change in the residential status on return to India for permanent settlement, and
  - b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
25. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
26. Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by each participant in the securities market. Members holding shares in physical form can furnish their PAN to Satellite Corporate Services Pvt. Ltd immediately.
27. The Company had made application to Registrar of Companies, Mumbai for extension of time for holding the 36th Annual General Meeting of the Company for the financial year ended March 31, 2020. The Registrar of Companies (ROC) – Mumbai, vide its order dated 08 Sep 2020 has given a general extension to all the companies within its jurisdiction, which are unable to hold Annual General Meeting (AGM) for the financial year ended 31st March, 2020 by a period of 3 (Three Months) from the due date by which the Annual General Meeting (AGM) ought to have been held in accordance with the provisions of sub-section (1) of Section 96 of the Companies Act, 2013.
28. In case of any queries regarding the Annual Report, the Members may write to [secretarial@poloqueen.com](mailto:secretarial@poloqueen.com) to receive an email response.
29. As the 36th AGM is being held through VC, the route map is not annexed to this Notice.
30. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.poloqueen.com](http://www.poloqueen.com) in, websites of the Stock Exchanges i.e. BSE Limited and Metropolitan Stock Exchange at [www.bseindia.com](http://www.bseindia.com) and [www.msei.in](http://www.msei.in) respectively, and on the website of Satellite Corporate Services Limited at <https://www.satellitecorporate.com>



## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### 31. FOR RECEIVING ALL COMMUNICATION (INCLUDING ANNUAL REPORT) FROM THE COMPANY ELECTRONICALLY:

- a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [secretarial@poloqueen.com](mailto:secretarial@poloqueen.com). or to Satellite at [service@satellitecorporate.com](mailto:service@satellitecorporate.com) or [scs\\_pl@yahoo.co.in](mailto:scs_pl@yahoo.co.in)
- b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

### 32. PROCEDURE FOR REMOTE E-VOTING:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

- (i) The voting period begins on Saturday October 17,2020 at 9.00 am and ends on Monday October 19,2020 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date October 13,2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently. The voting rights of Members (for voting through remote e-voting before the AGM and e-voting during the AGM) shall be in proportion to their shares held in the paid up equity share capital of the Company as on cut-off date i.e. October 13,2020.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

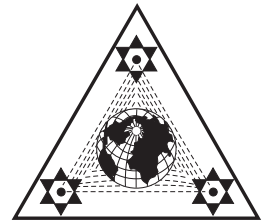
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

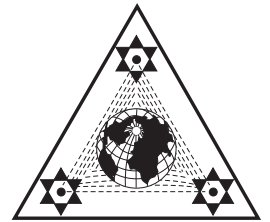
	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).



## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant POLO QUEEN INDUSTRIAL AND FINTECH LIMITED
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to M/s Satellite Corporate Services Private Limited, Registrar and Transfer Agent at [service@satellitecorporate.com](mailto:service@satellitecorporate.com) / Company at [secretarial@poloqueen.com](mailto:secretarial@poloqueen.com).
  2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to to M/s Satellite Corporate Services Private Limited, Registrar and Transfer Agent at [service@satellitecorporate.com](mailto:service@satellitecorporate.com) / Company at [secretarial@poloqueen.com](mailto:secretarial@poloqueen.com).
  3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
- INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.



## NOTICE

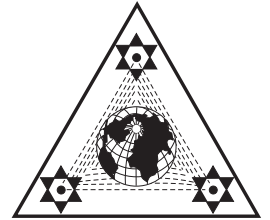
## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requisition advance atleast 6 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 6 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (xx) **Note for Non - Individual Shareholders and Custodians**
- i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - iv) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [gkhandwala@yahoo.com](mailto:gkhandwala@yahoo.com), [secretarial@poloqueen.com](mailto:secretarial@poloqueen.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write





## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

xxii. The Board of Directors has appointed Mrs. Grishma Khandwala, Company Secretary in Whole Time Practice (ICSI membership number: 6515 C.P. no. 1500) as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The results declared along with the Scrutinizer's report shall be placed on the Company's [www.poloqueen.com](http://www.poloqueen.com) and on the website of CDSL and communicated to the Stock Exchange.

xxiii. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the Meeting, thereafter unblock the votes cast through remote e-voting before the Meeting and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

xxiv. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.poloqueen.com](http://www.poloqueen.com) and on the website of CDSL and communicated to the BSE Limited where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

xxv. Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM i.e. October 20, 2020

xxvi. Please note the important dates

Event	Date	Time
Cut off Date for Voting	13th October , 2020	5.00 pm
Evoting to Start	17th October, 2020	9.00 am
Evoting to End	19th October , 2020	5.00 pm
AGM Date	20th October , 2020	3.00 pm

33. Members seeking any information with regard to accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Saturday October 17, 2020 through email on [info@poloqueen.com](mailto:info@poloqueen.com) The same will be replied by the Company suitably.

34. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / Satellite has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

35. The term 'Members' has been used to denote Shareholders of POLO QUEEN INDUSTRIAL AND FINTECH LIMITED.

Place : Mumbai  
 Date : September 14, 2020

By Order of the Board of Directors  
 For Polo Queen Industrial and Fintech Limited  
**VANDANA YADAV**  
 COMPANY SECRETARY  
 (Membership No. - A40717)





## NOTICE

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

#### Item No. 5

The Board of Directors of the Company at its meeting held on February 5, 2020, appointed Mrs. Feroza Panday (DIN 00232812) as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from February 5, 2020, subject to the approval of the Members of the Company. In terms of Section 161 of the Companies Act, 2013, and Article 40 of the Articles of Association of the Company, Mrs. Panday shall hold office only up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as a Director.

The Nomination and Remuneration Committee and the Board have recommended the appointment of Mrs. Feroza Panday (DIN 00232812) as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has also received a notice in writing from a member proposing the candidature of Mrs. Feroza Panday to be appointed as Director of the Company.

The Company has received a declaration from Mrs. Feroza Panday confirming that she meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received a declaration from Mrs. Feroza Panday that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Feroza Panday fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as an Independent Director of the Company and she is independent of the management.

A brief profile of Mrs. Panday is given below:

Mrs. Panday has completed 64 years of age; and is an M.B.B.S and M.D. (Pathology). She has held the position of Lab Director in Prince Aly Khan Hospital since 2003. She has served the Devaki Hospital (Chennai) for almost 6 years as a Clinical Pathologist -in- charge. She was also Lecturer in Seth G.S. Medical College & K.E.M. Hospital,

Mumbai in Pathology & Forensic medicine for two years and has held various positions such as Chairman – Committee for Sexual Harassment for Women at the Workplace, Convener - Hospital Infection Control Committee and Member -Secretary -Renal Transplant Committee. She has more than 20 years of experience in the Pharmaceutical, Chemical and Education Industry.

In compliance with the provisions of Section 149, read with Schedule IV to the Act and Regulation, 17 of the Listing Regulations and keeping in view the experience and expertise of Mrs. Panday, the Board considers it desirable that the Company should continue to avail of her services. Accordingly, the Resolution set out in Item No. 5 is recommended for the approval of the Members.

Apart from Mrs. Panday none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

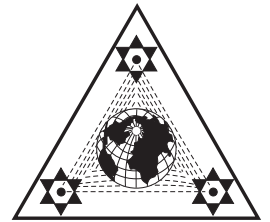
#### Item No. 6

Section 188 of the Companies Act, 2013 read with rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended, prescribed certain procedure for approval of Related Party Transactions. The Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also prescribed seeking of shareholders' approval for material related party transactions.

All the proposed transaction put up for approval are in the at arm's length basis. Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following contracts/arrangements/ transactions are material in nature and require the approval of shareholders of the Company by an ordinary resolution.

The Audit Committee and Board of Directors have reviewed major terms & conditions of these transactions and recommend to the members for their approval.

The following disclosures for proposed transaction with Related Party are made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rule, 2014.



**NOTICE**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Maximum Value of Contract/Transaction (Per Annum)**

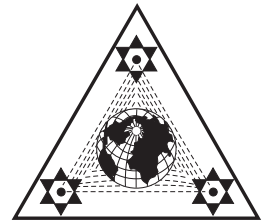
Name of the Related Party	Name of the Director or Key Managerial Personnel who is related and Nature of its Relationship	Maximum value of transactions per annum	Nature and Material Terms/particulars of the Contract or arrangements or transactions
Someshwara Industries And Exports Limited	Mr. Nandlal Sanghai Entity in which Directors have a Significant influence/control.	5.00 lacs	Payment of rent
Arjay Apparel Industries Limited	Mr. Udit Sanghai Entity in which Directors have a Significant influence/control	5.00 lacs	Rent Received
Mr. Nandlal Sanghai	Director	30.00 crore	Loan taken
Mr. Rahul Sanghai	Director	30.00 crore	Loan taken
Mr. Prabhas Sanghai	Director	30.00 crore	Loan taken
Mr. Udit Sanghai	Director	30.00 crore	Loan taken
Mr. Nandlal Sanghai	Director	30.00 crore	Re-payment of part of Loan
Mr. Rahul Sanghai	Director	30.00 crore	Re-payment of part of Loan
Mr. Prabhas Sanghai	Director	30.00 crore	Re-payment of part of Loan
Mr. Udit Sanghai	Director	30.00 crore	Re-payment of part of Loan
Ms. Usha Sanghai	Mr. Nandlal Sanghai Director - wife	1.00 lacs	Payment of Remuneration
Ms. Manjula Sanghai	Mr. Udit Sanghai Director - Mother	1.00 lacs	Payment of Remuneration
Ms. Aneetha Sanghai	Mr. Prabhas Sanghai Director -wife	1.00 lacs	Payment of Remuneration
Ms. Vasudha Sanghai	Mr. Rahul Sanghai Director -wife	1.00 lacs	Payment of Remuneration

The transactions mentioned above are in the interest of the Company and thus the Board recommends the resolution set out in Item No. 6 of the Notice.

Save and except Mr. Nandlal Sanghai, Mr. Prabhas Sanghai, Mr. Rahul Kumar Sanghai and Mr. Udit Sanghai and their relatives, none of the other Directors or Key Managerial Personnel of the Company are concerned or interested in the said resolution.

**By Order of the Board of Directors**  
**VANDANA YADAV**  
**COMPANY SECRETARY**  
**(Membership No. - A40717)**

**Place : Mumbai**  
**Date : September 14, 2020**



**ANNEXURE A  
TO THE NOTICE**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting. (Pursuant to the SEBI Listing Regulations and Secretarial Standard-2 on “General Meetings”)**

1.	Name of Director	Mrs. Feroza Panday	Mr. Udit P. Sanghai	Mr. Rahul Kumar Sanghai
2.	Director Identification Number (DIN)	00232812	06725206	00181745
3.	Date of Birth	July 06, 1986 (64 Years)	July 23, 1991 (29 Years)	November 26, 1973 (46 Years)
4.	Date of first Appointment	February 05, 2020	January 1, 2014	August 19, 2000
5.	Experience in specific areas	Pharmaceutical, Chemical and Education Industry.	Handling sales promotion and Marketing of FMCG Products	Textile & Chemical Industry
6.	Qualifications	M.B.B.S and M.D. (Pathology)	Post-Graduation in Investment Management	B. Com.
7.	Directorships held in Other Companies	Great Western Finance and Leasing Limited	<ul style="list-style-type: none"> <li>• Polo Queen Solutions Ltd</li> <li>• Polo Queen Pharma Trade Industry Ltd.</li> <li>• Polo Queen Capital Ltd.</li> <li>• Arjay Apparel Industries Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Paramount Minerals and Chemicals Limited</li> <li>• Bow Balaleshwar Minings Private Limited</li> <li>• Aajiwan Industries Limited</li> <li>• Balaji Prints Limited</li> <li>• Polo Queen Capital Limited</li> <li>• Polo Queen Pharma Trade Industry Limited</li> <li>• Polo Queen Solutions Limited</li> </ul>
8.	Committee position held in other companies	-	-	1
9.	Shareholding in the Company (No. of shares)	0	41,90,250	36,32,025
10.	No. of meetings of the Board held / attended during the year	-	-	-
	Held	4	4	4
	Attended	0	2	3
11.	Remuneration	0	12,00,000	0



## DIRECTORS' REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

To

The Members,

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report and Audited Statement of Accounts of your Company for the year ended March 31, 2020.

### FINANCIAL RESULTS :

The salient features of the Company's working for the year under review are as under:

(Amount in Thousands)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Sales and other Income	179822.97	519892.03	179872.67	520990.04
Profit / (Loss) before Interest and Depreciation	171354.24	22682.39	172043.31	22836.75
Less: Interest	10216.11	13837.52	10295.68	13860.78
Profit/(Loss) before Depreciation	1747.27	8844.87	(2466.32)	8975.97
Less: Depreciation	883.06	1106.37	883.06	1106.37
Profit/(Loss) Before Taxation	(2630.44)	7738.50	(3349.38)	7869.61
Less: Provision for Taxation (net)	-	2080.72	10.27	2333.90
Less: Tax Adjustment relating to prior years	-	(474.42)	-	(343.08)
Add: Deferred Tax	(10.75)	(48.42)	18.21	(20.01)
Net Profit/ ( Loss ) after Tax	(2619.69)	6180.62	(3377.87)	5898.79

### OPERATIONS

During the year under review the Company has recorded receipts of Rs. 1798.23 Lacs as compared to Rs. 5198.92 Lacs in the previous year. The Company has recorded a Net loss of Rs. 26.20 Lacs as compared to a profit of Rs. 61.81 Lacs in the previous year. During the year under review the turnover of the Company has been adversely impacted due to reduction in orders from Government Supply Outlets, who are major customers of the Company and downturn in the economic scenario.

With a view to boost growth, the Company continues to focus on marketing and distributing its products in Tier II and Tier III cities, mainly in Maharashtra. The Company has tied up with METRO Cash & Carry giving the Company's products a wider reach. This business is slowly picking up. The Company has also added a Warehouse at Wadki, Pune, which has improved supply chain logistics.

The Company's trading activities in chemicals and minerals have encountered hurdles due to restrictions on imports from China. The Company is exploring

alternate sources for procurement to step up its business.

The Company continues to interact with various entities for a Joint venture to develop the Data Center business at MIDC Dombivili with the help of professional consultants. However, negotiations were interrupted by the COVID - 19 pandemic. Your Directors are cautiously optimistic of concluding negotiations in the near future.

### DIVIDEND

With a view to conserving the resources of your Company, your Directors have decided not to recommend Dividend for the year.

### RESERVES

The Company has not transferred any amount to the general reserves during the year

### IMPACT OF COVID-19

The novel coronavirus outbreak in the last quarter of the financial year 2020 has significantly affected the FMCG industry. Your Company has been working on a safety-first principle, ensuring that its employees and business



## DIRECTORS' REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

partners are safe, and taking all necessary precautions to control the spread of Coronavirus. In view of the lockdown across India, the Company's operations had to be scaled down or shut down from the second half of March 2020. While this has adversely impacted the sales performance we continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per our current assessment, no significant impact on carrying amounts of inventories, goodwill and trade receivables, is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of the financial statements.

### **BUSINESS RISK MANAGEMENT**

The Company manages and monitors principal risks and uncertainties that can impact the ability of the Company to achieve its targets/objectives. Timely reports are placed before the Board for considering various risks involved in the Company's business/operations. The Board evaluates these reports and necessary/corrective action is then taken.

A brief report on risk evaluation and management is provided under Management's Discussion and Analysis Report forming part of this Annual Report.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place, adequate systems and procedures for implementation of internal financial control across the organization which enables the Company to ensure that these controls are operating effectively.

### **DIRECTORATE**

In accordance with the Act and the Articles of Association of your Company, Mr. Udit Sanghai and Mr. Rahul Kumar Sanghai retire by rotation and are eligible for re-appointment.

During the year under review Ms. Shobita Kadan resigned as Non-Executive Independent Director of the Company on November 2, 2019. The Board places on record its appreciation for the valuable services rendered by Ms. Shobita Kadan during her tenure on the Board.

The Board appointed Ms. Feroza Panday as an Additional Director designated as Non-Executive Women Independent Director of the Company on February 5, 2020 and she holds office up to the date of the forthcoming Annual General Meeting and being eligible, offers herself for appointment as an Independent Director, not liable to retire by rotation.

A brief profile of the Directors proposed to be appointed/re-appointed is annexed to the Notice.

The Independent Directors have furnished necessary declarations as required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

### **KEY MANAGERIAL PERSONNEL**

Ms. Namrata Vanamala (Membership No. A40814), Company Secretary of the Company resigned with effect from September 28, 2019 and Ms. Vandana Yadav (Membership No. A40717) was appointed as Company Secretary with effect from November 11, 2019.

In terms of Section 203 of the Companies Act, 2013, Mr. Udit Sanghai - Executive Director & CFO, Mr. Umesh Agarwal, Whole time Director and Ms. Vandana Yadav, Company Secretary, are the Key Managerial Personnel of the Company.

### **BOARD EVALUATION**

The Board has carried out an annual performance evaluation of the Directors individually including Independent Directors, Board as a whole and of its various committees on parameters such as skills, knowledge, participation in meetings, contribution towards Corporate Governance practices, compliance with code of ethics etc.

The Independent Directors have carried out a performance evaluation of non-independent Directors, Chairman of the Board and Board as a whole with respect to knowledge to perform the role, time and level of participation, performance of duties and level of oversight and professional conduct and independence.

The Directors expressed their satisfaction with the evaluation process.

### **MEETINGS**

During the year, four Board Meetings were held, details of which are given in the Corporate Governance Report.





## DIRECTORS' REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Joint Venture or Associate Company. The details of the performance of the subsidiary companies are as follows:

#### i. POLO QUEEN CAPITAL LIMITED (PQCL)

PQPL is a wholly owned subsidiary of the Company. It was incorporated on March 3, 2016. PQPL plans to set up a Pharma/Chemical plant/ factory at a plot situated at MIDC, Mahad admeasuring 79,916 Square meters. The Company has commenced construction of admin/Pilot plant and also 16 sheds and work is progressing. The Company has completed construction of residential premises at Plot RH 38 situated at M.I.D.C MAHAD and Building Completion Certificate has been obtained.

#### ii. POLO QUEEN SOLUTIONS LIMITED (PQSL)

PQSL is a wholly owned subsidiary of the Company. The Company was incorporated on March 3, 2016. The Company has plans to set up Data Centre on the Plot admeasuring 4,960 Square meters in the name of the Holding Company at MIDC Dombivli, Maharashtra. The Company is looking for a Joint Venture with a Foreign Investor. The Company has appointed KPMG as consultant who are working on various options to identify a suitable Joint Venture Partner. Based on the Pitch Pack and financials submitted by KPMG, the Company is exploring the possibility of a Joint Venture with International reputed players. The Company has also appointed Mindspring Advisors Private Limited who have been entrusted with the assignment to identify a suitable Joint Venture Partner.

#### iii. POLO QUEEN PHARMA TRADE INDUSTRY LIMITED (PQPL)

PQPL is a wholly owned subsidiary of the Company. It was incorporated on March 3, 2016. PQPL plans to set up a Pharma/Chemical plant/ factory at a plot situated at MIDC, Mahad admeasuring 79,916 Square meters. The Company has already appointed KPMG as consultants to identify a suitable Joint Venture Partner. In the meantime, the Company is also exploring various options for the utilization of the allotted Plot. The Company has commenced construction of admin/Pilot plant and also 16 sheds with a view to obtaining Building Completion

Certificate (BCC) from MIDC. The work is progressing.

A statement containing salient features of the financial statements in Form AOC-1, as required under Section 129 (3) of the Companies Act, 2013, forms a part of this Annual Report.

Your Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link <http://poloqueen.com/policies-and-codes.php>. As per this Policy, your Company does not have any material subsidiary.

### RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were on an arm's length basis and in the ordinary course of business.

The policy has been disclosed on the website of the Company at [www.poloqueen.com](http://www.poloqueen.com). Web link for the same is <http://poloqueen.com/policies-and-codes.php>.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as Annexure B to this Annual Report.

### NOMINATION AND REMUNERATION POLICY:

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 to recommend the Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, payment of remuneration to them and evaluation of their performance. The policy is also posted on the Company's website at [www.poloqueen.com](http://www.poloqueen.com).

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There were no Guarantees or Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013, during the financial year



## DIRECTORS' REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

under review. The details of Loans have been disclosed in Note 38 to the Financial Statements.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The Company does not own any manufacturing facility and hence the particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Accounts) Rules, 2014 are not applicable. The Company has earned Rs.15.40 Lacs foreign exchange and has spent Rs.77.37 Lacs in Foreign Exchange during the accounting year ended 2019-20.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013 that:

- a) the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- b) the Accounting Policies have been selected and applied on a consistent basis so as to give a true and fair view of the affairs of the Company and of the profit for the financial year;
- c) sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) the internal financial controls laid down in the Company were adequate and operating effectively;
- f) the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

### FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year within the meaning of Sections 73

to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### PARTICULARS OF EMPLOYEES

The Company has no employee in receipt of remuneration in excess of the limit prescribed in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of employees required under Rule 5 of the aforesaid Rules, are attached as Annexure I to this Report.

### VIGIL MECHANISM

The Company has a Vigil Mechanism and Whistle-Blower Policy to deal with instances of fraud and mismanagement, if any, and conducting business with integrity, in accordance with all applicable laws and regulations. The summary of the policy has been disclosed on the website of the Company at [www.poloqueen.com](http://www.poloqueen.com) Weblink for the same is <http://www.poloqueen.com/pdf/vigil-mechanism-policy.pdf>.

### AUDITORS

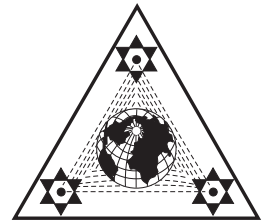
As per the provisions of the Companies Act, 2013 M/s. Gupta Raj & Co, Chartered Accountants, Chennai (FRN 001687N), were appointed as Statutory Auditors of the Company for a period of five years at the annual general meeting held in 2017 till the conclusion of 38th annual general meeting. The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018. In view of this, no resolution is proposed for ratification of the appointment of the Auditors at the ensuing AGM.

Pursuant to Sections 139 and 141 of the Act read with Companies (Audit and Auditors) Rules 2014, Gupta Raj & Co have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

### AUDITORS' REPORT

During the year under review, the Auditor has not reported any matter under section 143 (12) of the Companies Act, 2013 and therefore no default disclosed under section 134 (3) (ca) of the Act.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.



## DIRECTORS' REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Grishma Khandwala, Practicing Company Secretary (C.P. No. 1500) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as 'Annexure - II' to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return for FY2020 is given in Annexure III in the prescribed Form No. MGT-9, which is a part of this Report. The same is also available on <http://poloqueen.com/notice.php>.

### GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### POLICY ON SEXUAL HARASSMENT:

The Company has adopted Policy on Prevention of

Sexual Harassment of Women at the Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2020, the Company has not received any complaints pertaining to sexual harassment.

### MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Regulation 34 (2) (e) of SEBI (LODR) Regulations, 2015, a report on Management Discussion & Analysis is herewith annexed as Annexure-IV.

### CORPORATE GOVERNANCE:

A detailed report on Corporate Governance forms part of this Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators /Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no Material Changes and Commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this Report.

### ACKNOWLEDGEMENT

The Directors wish to take this opportunity to express their sincere thanks to the Company's Bankers for their valuable support and the Shareholders for their confidence in the Company.

### For and on behalf of the Board of Directors

NANDLAL SANGHAI	DIRECTOR
RAHUL KUMAR SANGHAI	DIRECTOR
PRABHAS SANGHAI	DIRECTOR
UMESH AGARWAL	WHOLE TIME DIRECTOR
UDIT P. SANGHAI	WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER

Place : Mumbai

Date : September 14, 2020



**ANNEXURE-I TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND AMENDMENTS THEREOF**

**I. Details of Remuneration of Employees as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof.**

The details of the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, percentage increase in their remuneration during the financial year 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under –

(Amount in Thousands)

Sl No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2019-20	% increase in Remuneration in the financial year 2019-20	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Udit Sanghai (Wholetime Director and CFO)	1200.00	-	3.06:1
2	Mr. Umesh Agarwal (Whole Time Director)	840.00	-	2.14:1
3	Ms. Namrata Vanamala (Company Secretary resigned w.e.f 28.09.2019)	239.07	-	0.61:1
4	Ms. Vandana Yadav Company Secretary (Appointed w.e.f 11.11.2019)	194.57	-	0.50:1

(ii) The median remuneration of employees of the Company during the financial year 2019-20 was Rs. 3,91,733/-.

(iii) In the financial year 2019-20, there was a decrease of 0.75 % in the median remuneration of employees.

(iv) There were 22 permanent employees on the rolls of Company as on March 31, 2020.

(v) There was no increase in the salaries of Employees and Managerial personnel during the financial year.

(vi) The key parameters for the variable component of remuneration availed by the Directors:

There is no variable component of remuneration availed by the Directors.

(vii) It is hereby affirmed that the remuneration paid during the year ended March 31, 2020 is as per the Remuneration Policy of the Company.



**ANNEXURE-I TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**II. Details of Remuneration of Top 10 Employees as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof.**

SN	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of Joining	Gross Remuneration P.A (Paid In Rs.)	Previous Employment
1.	Mr. Chandrasekhar B. Sawant	Vice President	Bsc. Honr CAIIB	68	48	04.05.2012	1232903.00	State Bank of India
2.	Mr. Udit P. Sanghai	Executive Director & Chief Financial Officer	Post Graduation in Investment Management	28	7	01.01.2014	1200000.00	-
3.	Mr. Ravi Ashok Jakhotia	General Manager	Master in Management Studies (Finance)	34	11	14.05.2009	1139652.00	-
4.	Mr. Umesh Agarwal	Whole Time Director	Graduation in Engineering	66	34	27.09.1993	840000.00	-
5.	Mr. Anand Mittal	Senior Accountant	M.Com	56	19	01.06.2010	755657.00	Parasram Puria Forex Services Pvt. Ltd.
6.	Mr. Dinesh Jakhotia	Manager-Supply Chain	B Pharma, MBA	34	13	01.08.2010	702581.00	Cipla Ltd.
7.	Mr. Vijay Tibrewal	Office Assistant	M.Com	41	17	12.07.2010	435869.00	Vijay Sales
8.	Mrs. Manjula Sanghai*	Executive	B.Com	54	27	01.02.2017	360000.00	Arjay Apparel Industries Limited
9.	Mrs. Aneetha Sanghai#	Executive	B. Architect	58	8	01.02.2017	300000.00	Arjay Apparel Industries Limited
10.	Ms. Vandana Yadav	Company Secretary	B. Com, C.S., LLB	34	5	11.11.2019	194571.00	Hubtown Limited

\* Mrs. Manjula Sanghai is mother of Mr. Udit Sanghai, Executive Director and CFO of the Company

# Mrs. Aneetha Sanghai is wife of Mr. Prabhas Sanghai, Director of the Company.



**SECRETARIAL  
AUDIT REPORT  
ANNEXURE-II TO THE  
BOARDS' REPORT**



**36<sup>th</sup> ANNUAL REPORT**



**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For the Company's Financial Year from April 1, 2019 to March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel 2014.)]

To,  
The Members,

**Polo Queen Industrial and Fintech Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Polo Queen Industrial and Fintech Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period comprising the Company's financial year ended March 31, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Polo Queen Industrial and Fintech Limited for the Company's financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
3. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not Applicable to the Company during the Audit Period;
5. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
6. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not Applicable to the Company during the Audit Period;
7. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
8. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,
9. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not Applicable to the Company during the Audit Period;

As per information provided by the management, there are no other laws specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I further Report that during the year under review :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors

**SECRETARIAL  
AUDIT REPORT  
ANNEXURE-II TO THE  
BOARDS' REPORT**



**36<sup>th</sup> ANNUAL REPORT**



**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board meetings were taken unanimously.

**Place : Mumbai  
Date : September 14, 2020**

I further Report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**GRISHMA KHANDWALA  
Company Secretary  
ACS No. 6515  
C.P. No. 1500  
UDIN No. A006515B000722076**

**My report of even date is to be read along with this letter.**

To,  
The Members  
Polo Queen Industrial and Fintech Limited

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Mumbai  
Date : September 14, 2020**

**GRISHMA KHANDWALA  
Company Secretary  
ACS No. 6515  
C.P. No. 1500**



**ANNEXURE-III TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on March 31, 2020  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L72200MH1984PLC094539
2.	Registration Date	July 19, 1984
3.	Name of the Company	Polo Queen Industrial and Fintech Ltd.
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	304, A to Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. Tel No.: 022 24935421/24817001 Fax: 022 24935420 / 24817047 Email: info@poloqueen.com Website: www.poloqueen.com
6.	Whether listed company	Yes Metropolitan Stock Exchange of India Limited, BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Satellite Corporate Services Private Ltd. Office No. 106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Sakinaka, Mumbai - 400072. Tel No.: 022 28520461/462 Fax: 022 28511809 Email: service@satellitecorporate.com / Website: www.satellitecorporate.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the company
1	Trading of Fabric	-	35.31
2	Trading of FMCG	-	33.99
3	Trading of Minerals and Chemicals	-	16.68

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

SN	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Polo Queen Pharma Trade Industry Ltd.	U24296MH2016PLC273832	Subsidiary	100	2(87)(ii)
2.	Polo Queen Solutions Ltd.	U72300MH2016PLC273835	Subsidiary	100	2(87)(ii)
3.	Polo Queen Capital Ltd.	U65923MH2016PLC274404	Subsidiary	100	2(87)(ii)

} 304, A to Z Inds. Estate,  
G. K. Marg, Lower Parel,  
Mumbai - 400013.



**ANNEXURE-III TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9-5)
<b>Promoters</b>									
<b>Indian</b>									
Individuals/Hindu Undivided Family	50308102	0	50308102	74.92	50308102	0	50308102	74.92	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (1)</b>	<b>50308102</b>	<b>0</b>	<b>50308102</b>	<b>74.92</b>	<b>50308102</b>	<b>0</b>	<b>50308102</b>	<b>74.92</b>	<b>0.00</b>
<b>Foreign</b>									
Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>50308102</b>	<b>0</b>	<b>50308102</b>	<b>74.92</b>	<b>50308102</b>	<b>0</b>	<b>50308102</b>	<b>74.92</b>	<b>0.00</b>
<b>Public Shareholding</b>									
<b>Institutions</b>									
Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00

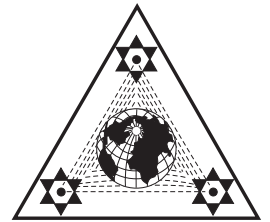


**ANNEXURE-III TO THE  
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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9-5)
Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Institutions</b>									
Bodies Corporate									
i) Indian	11598134	0	11598134	17.27	12553825	0	12553825	18.70	1.42
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Individual Shareholders holding nominal Share Capital upto Rs.1 Lakh	57259	4890	62149	0.09	59291	5330	64621	0.10	0.00
Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	5117462	50	5117512	7.62	3659640	0	3659640	5.45	(2.17)
Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Member	1	0	1	0.00	0	0	0	0.00	0.00
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
NRI-Repatriable	0	0	0	0.00	0	0	0	0.00	0.00
NRI-Non Repatriable	61450	0	61450	0.09	61450	0	61450	0.09	0.00
HUF	2222	430	2652	0.00	502362	0	502362	0.75	0.74
Employees	0	0	0	0.00	0	0	0	0.00	0.00
Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (2)</b>	<b>16836528</b>	<b>5370</b>	<b>16841898</b>	<b>25.08</b>	<b>16836568</b>	<b>5330</b>	<b>16841898</b>	<b>25.08</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>16836528</b>	<b>5370</b>	<b>16841898</b>	<b>25.08</b>	<b>16836568</b>	<b>5330</b>	<b>16841898</b>	<b>25.08</b>	<b>0.00</b>
<b>TOTAL (A)+(B)</b>	<b>67144630</b>	<b>5370</b>	<b>67150000</b>	<b>100.00</b>	<b>67144670</b>	<b>5330</b>	<b>67150000</b>	<b>100.00</b>	<b>0.00</b>
Shares held by Custodians Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>67144630</b>	<b>5370</b>	<b>67150000</b>	<b>100.00</b>	<b>67144670</b>	<b>5330</b>	<b>67150000</b>	<b>100.00</b>	<b>0.00</b>





**ANNEXURE-III TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Vasudha Rahul Sanghai	5295500	7.89	0.00	5295500	7.89	0.00	0.00
2	Divesh Sanghai	4930700	7.34	0.00	4930700	7.34	0.00	0.00
3	Viraj Prabhas Sanghai	4915150	7.32	0.00	4915150	7.32	0.00	0.00
4	Udit P. Sanghai	4190250	6.24	0.00	4190250	6.24	0.00	0.00
5	Pritam Jiwanram Sanghai	4187800	6.24	0.00	4187800	6.24	0.00	0.00
6	Manjuladevi Sanghai	4180575	6.22	0.00	4180575	6.22	0.00	0.00
7	Rahulkumar Nandlal Sanghai	3632025	5.41	0.00	3632025	5.41	0.00	0.00
8	Prabhadevi Pawankumar Sanghai	3382725	5.04	0.00	3382725	5.04	0.00	0.00
9	Ushadevi Sanghai	3275450	4.88	0.00	3275450	4.88	0.00	0.00
10	Aneetha Prabhas Sanghai	2731177	4.07	0.00	2731177	4.07	0.00	0.00
11	Nikhil Sanghai	2500800	3.72	0.00	2500800	3.72	0.00	0.00
12	Nihar Sanghai	2500800	3.72	0.00	2500800	3.72	0.00	0.00
13	Pawankumar Jiwanram Sanghai	1680350	2.50	0.00	1680350	2.50	0.00	0.00
14	Piyush Kumar Sanghai	1251600	1.86	0.00	1251600	1.86	0.00	0.00
15	Deepti Sanghai	1249150	1.86	0.00	1249150	1.86	0.00	0.00
16	Nandlal Sanghai	337600	0.50	0.00	337600	0.50	0.00	0.00
17	Nandlal Rahulkumar HUF	19600	0.03	0.00	19600	0.03	0.00	0.00
18	Pritam Sanghai (HUF)	18400	0.03	0.00	18400	0.03	0.00	0.00
19	Nandlal Sanghai (S) HUF	16850	0.03	0.00	16850	0.03	0.00	0.00
20	Pawan Kumar Piyush Kumar HUF	11600	0.02	0.00	11600	0.02	0.00	0.00
	<b>TOTAL</b>	<b>50308102</b>	<b>74.92</b>	<b>0.00</b>	<b>50308102</b>	<b>74.92</b>	<b>0.00</b>	<b>0.00</b>



**ANNEXURE-III TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**C) Change in Promoters' Shareholding - There was no Change in Promoter's Shareholding during the financial year 2019-20**

The Equity Shares of the Company are listed with BSE Limited w.e.f. September 28, 2017. The Shares held by the Promoters of the Company have been kept in Lock-in for a period of three years commencing from the date of trading at BSE Limited as this is one of the conditions imposed by BSE limited for Listing of the Company's Shares.

**D) Shareholding Pattern of top ten Shareholders :**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of Shareholders	Shareholding at the beginning of the year April 1, 2019		Date	(+ Increase/ (-) decrease in shareholding	Reason	Shareholding at the end of the year March 31, 2020	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Pan Emami Cosmed Limited	4100000	6.11	01.04.2019			4100000	6.11
				31.03.2020			4100000	6.11
2.	New Way Constructions Limited	3350000	4.99	01.04.2019			3350000	4.99
				31.03.2020			3350000	4.99
3.	Kanodia Capital And Management Services Private Limited	2000000	2.98	01.04.2019			2000000	2.98
				31.03.2020			2000000	2.98
4.	Golden Shares Stocks Private Limited	1350000	2.01	01.04.2019			1350000	2.01
				31.03.2020			1350000	2.01
5.	Vivek Agarwal	1149999	1.71	01.04.2019			1149999	1.71
				14.02.2020	400000	Sale	749999	1.12
				21.02.2020	550000	Sale	199999	0.30
				28.02.2020	199999	Sale	0	0.00
				31.03.2020			1149999	0.09
6.	Amar Nath Goenka	950000	1.41	01.04.2019			950000	1.41
				31.03.2020			950000	1.41
7.	Amitabh Goenka	500000	0.74	01.04.2019			500000	0.74
				31.03.2020			500000	0.74
8.	Indira Goenka	500000	0.74	01.04.2019			500000	0.74
				31.03.2020			500000	0.74
9.	Umang Agarwal	500000	0.74	01.04.2019			500000	0.74
				31.03.2020			500000	0.74
10.	Amritaabh Goenka	500000	0.74	01.04.2019			500000	0.74
				31.03.2020			500000	0.74
11.	East India Commodities Pvt. Ltd.	0	0	01.04.2019			0	
				21.02.2020	750000	Purchase	750000	1.12
				28.02.2020	400000	Purchase	1150000	1.71
				31.03.2020			1150000	1.71



**ANNEXURE-III TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the April 1, 2019		Shareholding at the end of the March 31, 2020	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Mr. Nandlal Sanghai	3,37,600	0.50	3,37,600	0.50
2.	Mr. Umesh Agarwal	50	0.00	50	0.00
3.	Mr. Prabhas Kumar Sanghai	-	-	-	-
4.	Mr. Rahul Kumar Sanghai	36,32,025	5.41	36,32,025	5.41
5.	Mr. Udit P. Sanghai (KMP- CFO)	41,90,250	6.24	41,90,250	6.24
6.	Mr. Aftab Mohammed Yusuf Diamondwala	-	-	-	-
7.	Mr. Aspi Nariman Katgara	-	-	-	-
8.	Mr. Natwarlal Gaur	-	-	-	-
9.	Ms. Shobita Kadan Resigned w.e.f 02.11.2019	-	-	-	-
10.	Ms. Feroza Panday Appointed w.e.f 05.02.2020	-	-	-	-
11.	Mr. Shridatta Haldankar	-	-	-	-
12.	Ms. Namrata Vanamala Resigned w.e.f 28.09.2019	-	-	-	-
13.	Ms. Vandana Yadav Appointed w.e.f 11.11.2019	-	-	-	-

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Thousands)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	65572.28	91694.26	-	157266.53
ii) Interest due but not paid	760.26	664.90	-	1425.17
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>66332.54</b>	<b>92359.16</b>	-	<b>158691.70</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	193335.75	125575.30	-	318911.05
* Reduction	217170.89	111414.23	-	328585.12
<b>Net Change</b>	<b>(23835.14)</b>	<b>14161.08</b>	-	<b>(9674.06)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	42013.51	106520.24	-	148533.75
ii) Interest due but not paid	483.89	674.76	-	1158.65
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>42497.40</b>	<b>107195.00</b>	-	<b>149692.40</b>



**ANNEXURE-III TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Thousands)

SN	Particulars of Remuneration	Name of WTD		Total Amount
		Umesh Agarwal	Udit Sanghai	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	840.00	1200.00	2040.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>840.00</b>	<b>1200.00</b>	<b>2040.00</b>
	<b>Ceiling as per the Act</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**B. Remuneration to other directors: Sitting Fees Paid**

(Amount in Thousands)

SN	Particulars of Remuneration	Name of Directors						Total Amount
		Natwarlal Sanwarlal Gaur	Aftab Mohd. Yusuf Diamondwala	Aspi Nariman Katgara	Shobita Kadan # (resigend w.e.f 2.11.2019	Feroza Jamsheed Panday* (Appointed w.e.f. 5.02.2020)	Shridatta Haldankar	
1	<b>Independent Directors</b>							
	Fee for attending board and committee meetings	75.00	20.00	75.00	15.00	0.00	40.00	225.00
	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other (Travelling)	4.00	1.00	4.00	1.00	0.00	3.00	13.00
	<b>Total (1)</b>	<b>79.00</b>	<b>21.00</b>	<b>79.00</b>	<b>16.00</b>	<b>0.00</b>	<b>43.00</b>	<b>238.00</b>
2	<b>Other Non-Executive Directors</b>	<b>Nandlal Sanghai</b>	<b>Prabhas Sanghai #</b>	<b>Rahul Kumar Sanghai</b>				
	Fee for attending board & committee meetings	45.00	30.00	45.00				120.00
	Commission	0.00	0.00	0.00				0.00
	Others, please specify	0.00	0.00	0.00				0.00
	<b>Total (2)</b>	<b>45.00</b>	<b>30.00</b>	<b>45.00</b>				<b>120.00</b>
	<b>Total (B)=(1+2)</b>	<b>124.00</b>	<b>51.00</b>	<b>124.00</b>	<b>16.00</b>	<b>0.00</b>	<b>43.00</b>	<b>358.00</b>



**ANNEXURE-III TO THE  
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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

\* Ms. Feroza Panday was appointed as the Additional (Non-Executive and Independent) Director w.e.f February 5, 2020

# Ms. Shobita Kadan resigned as Independent Director on November 2, 2019

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in Thousands)

SN	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS Vandana Yadav Appointed w.e.f 11.11.2019	CS Ms. Namrata Vanamala Resigned w.e.f 28.09.2019	CFO	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	194.57	239.07	1,200.00	1633.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0		0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0		0	0
2	Stock Option	0	0		0	0
3	Sweat Equity	0	0		0	0
4	Commission					
	- as % of profit	0	0		0	0
	others, specify...	0	0		0	0
5	Others, please specify	0	0		0	0
	<b>Total</b>	<b>0</b>	<b>194.57</b>	<b>239.07</b>	<b>1,200.00</b>	<b>1633.64</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: N.A.**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					





**ANNEXURE-B TO THE  
BOARDS' REPORT**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Annexure B**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies  
(Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. **NIL**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name (s) of the related party	Nature of relationship	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Amount in Lacs
Someshwara Industries And Exports Limited	Entity in which Directors have a Significant influence/control.	Ongoing	Rent Paid	1.80
Arjay Apparel Industries Limited	Entity in which Directors have a Significant influence/control	Ongoing	Rental Income	0.60
Mr.Nandlal Sanghai	KMP	Ongoing	Interest paid	34.66
Mr.Rahul Sanghai	KMP	Ongoing	Interest paid	1.48
Mr.Prabhas Sanghai	KMP	Ongoing	Interest paid	4.22
Mr.Udit Sanghai	KMP	Ongoing	Interest paid	33.69
Polo Queen Capital Ltd.	Subsidiary	Ongoing	Interest Income	1.77
Polo Queen Capital Ltd.	Subsidiary	Ongoing	Loan given	88.32
Mr.Nandlal Sanghai	KMP	Ongoing	Loan Taken	233.11
Mr.Rahul Sanghai	KMP	Ongoing	Loan Taken	185.48
Mr.Prabhas Sanghai	KMP	Ongoing	Loan Taken	162.08
Mr.Udit Sanghai	KMP	Ongoing	Loan Taken	607.78
Ms.Usha Sanghai	Relative of director	Ongoing	Payment of Remuneration	3.00
Ms.Manjula Sanghai	Relative of director	Ongoing	Payment of Remuneration	3.60
Ms.Aneeta Sanghai	Relative of director	Ongoing	Payment of Remuneration	3.00
Ms.Vasudha Sanghai	Relative of director	Ongoing	Payment of Remuneration	3.00
Mr.Udit Sanghai	KMP	Ongoing	Payment of Remuneration	12.00
Mr.Umesh Kumar Agarwalla	KMP	Ongoing	Payment of Remuneration	8.40

**For and on behalf of the Board of Directors**

**NANDLAL SANGHAI**

**DIRECTOR**

**RAHUL KUMAR SANGHAI**

**DIRECTOR**

**PRABHAS SANGHAI**

**DIRECTOR**

**UMESH AGARWAL**

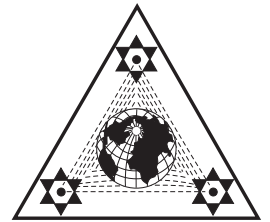
**WHOLE TIME DIRECTOR**

**UDIT P. SANGHAI**

**WHOLE TIME DIRECTOR &  
CHIEF FINANCIAL OFFICER**

**Place : Mumbai**

**Date : September 14, 2020**



### **COVID-19 Impact on the Indian FMCG Industry**

In the initial days post the lockdown, there were instances of panic buying (though at lower levels as compared to international markets), supply shocks in the system with unavailability of labour (impacting all areas of value chain -sourcing, logistics and delivery) and streamlining of retail operations including e-commerce. The situation on the ground has however been steadily improving. The pandemic has caused disruption in the industry and we will see long term shifts in consumer behaviour. The digital disruption can be seen across segments - whether it is in terms of increase in consumption of online content (news, entertainment, games and learning) or stronger demand for online delivery (where it is relatively easier to maintain social distancing). There is also an upswing in sales of general trade or 'kirana' outlets with the restriction on travel and closing of shopping malls or complexes during the lockdown.

#### **A) Industry Structure and Development**

The world economy grew by 2.9% in 2019 compared with 3.6% in the previous year while China and India grew by 6.1% and 4.2%, respectively. The slowdown has been more pronounced in emerging economies. Weak business confidence and global geopolitical tensions have been key factors leading to the slow growth in 2019. There has also been increasing concerns over climate change, and governments and businesses are being called to act more responsibly. In response to these factors, organizations globally are focusing on being more agile, being closer to consumers and conducting business in a more sustainable and responsible manner.

The initial outlook for the ensuing year was for stronger growth, especially over the subdued 2019 economic performance. However, 2020 saw a significantly changed scenario with the outbreak of the COVID-19 pandemic. This was followed by strong action by governments across the world in the form of a global lockdown to stem the rate of spread of the disease. Despite relief measures provided in the form of easing of monetary policy by central banks and fiscal packages announced by some governments, we expect to see a contraction in global economy. Currently, the analyst consensus is a de-growth this year and then a gradual recovery next year - however, it is marked with uncertainty depending on the ground situation, that is, the duration of lockdown, growth in infection rate with

the opening up of economies, timeline for development of vaccine and others.

Similar to the global outlook, the Indian economy was projected to grow at a stronger pace in FY 2020-21 than the previous year. However, the unprecedented COVID-19 pandemic, and the subsequent nationwide lockdown by the Government, along with other necessary measures to contain the pandemic, have made experts revise their forecasts significantly, with possible contraction of the Indian GDP in Q1 FY 2020-21. In the short term, the lockdown could also potentially lead to financial distress, both for consumers and companies, including disruptions in money supply and general liquidity.

#### **A) Opportunities and Threats**

Your Company's business has good growth opportunities since existing trends in the FMCG sector create new consumer needs and market opportunities. Your Company is preparing to leverage this through focused expansion of the sales and distribution systems in India and scale up and improve our robust supply chain. New product offerings market models are also being developed.

The key threats for our business include changing preference of consumers, commodity prices as well as concentration of retailers in bigger cities. The current COVID-19 crisis provides opportunities with likely increase in the in-home consumption. Though we have plans to step up business continuity at every level, the continuation of the crisis can have long term demand and supply implications, which is difficult to predict at this point in time.

#### **B) Risks and concerns**

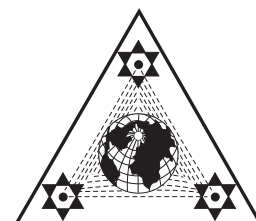
The primary risk facing the company in the coming year would be arising out of the effects of the COVID -19 Pandemic

The outbreak of the Pandemic in March 2020 resulted in an unprecedented crisis across the world and the world economy has taken a big hit. Large-scale quarantines, travel restrictions, and social-distancing measures have resulted in a sharp fall in consumer and business spending, producing a recession-like situation across various world economies. The global economic impact is severe, approaching the global financial crisis of 2008-09. GDP has contracted significantly in most major

# MANAGEMENT DISCUSSION AND ANALYSIS



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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

economies in 2020, and recovery is expected only in 2021.

India is no exception and the country wide lockdown at the national level has severely impacted Indian Businesses with reduced demand or loss of business. Your Company is no exception and its business operations are also expected to see delayed order placements and deferment of planned procurements by existing customers.

The risks that may affect the functioning of the Company include, but are not limited to:

- Economic conditions;
- Increasing cost of logistics;
- Competitive market conditions;
- Compliance and regulatory pressures.

Your Company has a defined risk management strategy with senior management identifying potential risk, evolving mitigation responses and monitoring the occurrence of risk.

### C) Segment-wise Performance

The Company's main business is trading of FMCG and other products. There is a sustained growth in this

Sector. Since the Company has only one segment, segment/ product wise performance is not provided.

### D) Outlook

The Directors expect to see a gradual recovery in the macroeconomic environment and for the Indian economy to consequently gather pace in fiscal year 2020 - 2021.

The Company's performance is expected to improve and the Directors' are expecting reasonable growth in the FMCG products in view of the expanded product mix. A clear demographic shift in favour of a younger population aspiring for a better lifestyle should continue to drive strong demand for all our Company's products for the foreseeable future.

### E) Internal Control Systems and their Adequacy

The Company has a satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.

### F) Human Resources

There has been no material development on the Human Resource / Industrial relations front during the year.

### H) Details of significant changes in key financial ratios

SN	Particulars	FY 2019-20	FY 2018-19	% Change
1.	Return on Net worth	(0.14)	0.39	(0.53)
2.	Debtors Turnover	40.25	6.69	33.56
3.	Inventory Turnover	10.77	19.38	(8.61)
4.	Interest Coverage Ratio	(1.26)	1.56	(2.82)
5.	Current Ratio	0.80	0.79	0.01
6.	Debt Equity Ratio	0.08	0.08	0.00
7.	Operating Profit Margin	0.00	14.50	(14.50)
8.	Net Profit Margin (%)	(1.46)	1.20	(2.66)

### Explanations :

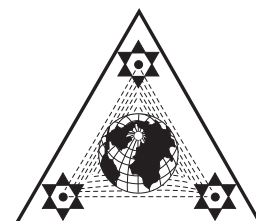
During the financial year 2019 -20 the turnover of the Company reduced by 27.72% and the Net profit has also gone down by 33.62%. This performance has led to a drop in the margins and returns indicators, as above.

\* Previous year's figure have been regrouped and reclassified wherever necessary.

# REPORT ON CORPORATE GOVERNANCE



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

## REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance for the financial year ended March 31, 2020 in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

### 1) Company's Philosophy on Code of Corporate Governance:

The Company believes that effective business organisations recognize their responsibilities to stakeholders and are guided by the principles of just and efficient governance for mutual benefit. The Company's corporate philosophy imbibes these ideals and its operations are conducted in a transparent and fair manner.

The relevant standards of Corporate Governance have been complied with by the Company.

### 2) Board of Directors

#### Composition and size of the Board

The present strength of the Board is 10 out of which 8 are Non-executive Directors (more than 75% of the total Board strength) and among these 8 Non-Executive Directors, 5 are Independent Directors.

The size and composition of the Board conforms with the requirements of Corporate Governance under the Listing Regulations and applicable laws. The Independent Non-Executive Directors of the Company do not have any other material or pecuniary relationship or transactions with the Company, its promoters, or its management, which in the judgment of the Board may affect independence of judgment of the Directors. Non-Executive Directors are not paid any remuneration.

Mr. Nandlal Sanghai, Non-Executive Director and Mr. Prabhas Sanghai, Non-Executive Director are brothers.

Mr. Rahul Kumar Sanghai, Non-Executive Director is the son of Mr. Nandlal Sanghai, Non-Executive Director.

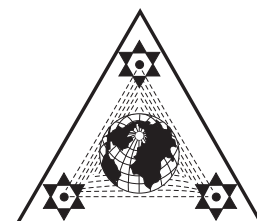
In the financial year 2019 - 2020, the Board met four times. The Board meetings were held on (1) May 24, 2019 (2) August 6, 2019, (3) November 11, 2019 (4) February 5, 2020.

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships, committee memberships and chairmanships held by them, are given below:

# REPORT ON CORPORATE GOVERNANCE



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Name of the Directors	Status i.e. Executives, Non-Executives and Independent	No. of Shares held	Members of Boards of Other Companies	Total Number of Committee Membership held		Number of Board Meetings held during the year		Whether attended last Annual General Meeting
				As Chairman	As Member	Held	Attended	
Mr. Nandlal Sanghai	Promoter NED	3,37,600	<ul style="list-style-type: none"> <li>Sanghai Holdings Private Ltd.</li> <li>Santino Holdings Private Ltd.</li> <li>Aajiwan Industries Ltd.</li> <li>Maharashtra Textile Processors Association</li> <li>Someshwara Industries and Exports Limited</li> </ul>	Nil	1	4	4	Yes
Mr. Prabhas Sanghai	Promoter NED	0	<ul style="list-style-type: none"> <li>Paramount Minerals &amp; Chemicals Ltd.</li> <li>Sanghai Holdings Pvt. Ltd.</li> <li>Santino Holdings Pvt. Ltd.</li> <li>Polo Queen Solutions Limited</li> <li>Polo Queen Capital Limited</li> <li>Polo Queen Pharma Trade Industry Limited</li> </ul>	Nil	Nil	4	3	Yes
Mr. Umesh Agarwal	ED	50	<ul style="list-style-type: none"> <li>Aajiwan Industries Ltd.</li> <li>Arjay Apparel Industries Ltd.</li> <li>Someshwara Industries &amp; Exports Ltd.</li> <li>Bow Balaleshwar Minings Pvt. Ltd.</li> <li>Balaji Prints. Ltd.</li> <li>R.J. Knitwears Ltd.</li> <li>Sri Vishvanath Enterprises Ltd.</li> <li>ANG Finechems Private Limited</li> <li>Premier Polyfilm Ltd.</li> </ul>	Nil	Nil	4	3	Yes
Mr. Rahul Kumar Sanghai	Promoter NED	36,32,025	<ul style="list-style-type: none"> <li>Paramount Minerals &amp; Chemicals Ltd.</li> <li>Bow Balaleshwar Minings Pvt. Ltd.</li> <li>Aajiwan Industries Ltd.</li> <li>Balaji Prints. Ltd.</li> <li>Polo Queen Solutions Limited</li> <li>Polo Queen Capital Limited</li> <li>Polo Queen Pharma Trade Industry Limited</li> </ul>	1	1	4	3	Yes
Mr. Udit Sanghai	Promoter ED & CFO	41,90,250	<ul style="list-style-type: none"> <li>Polo Queen Solutions Limited</li> <li>Polo Queen Capital Limited</li> <li>Polo Queen Pharma Trade Industry Limited</li> <li>Arjay Apparel Industries Limited</li> </ul>	Nil	1	4	2	Yes
Mr. Aftab Diamondwala	Independent NED	Nil	Nil	Nil	Nil	4	2	No
Mr. Apsi Katgara	Independent NED	Nil	<ul style="list-style-type: none"> <li>Maha Rashtra Apex Corporation Limited</li> <li>Manipal Capital and Leasing Private Limited</li> <li>Sirar Dhotre Solar Private Limited</li> <li>Sirar Solar Energies Private Limited</li> </ul>	1	1	4	4	Yes
Mr. Natwarlal Gaur	Independent NED	Nil	Nil	1	1	4	4	Yes
Ms. Shobita Kadan (resigned w.e.f. 2.11.2019)	Women Independent Director	Nil	Nil	Nil	1	4	1	Yes
Mr. Shridatta Haldankar	Independent NED	Nil	Nil	Nil	1	4	4	NA
Ms. Feroza Panday (Appointed w.e.f. 05.02.2020)	Women Independent Director	Nil	<ul style="list-style-type: none"> <li>Great Western Finance And Leasing Limited</li> </ul>	Nil	Nil	4	0	NA

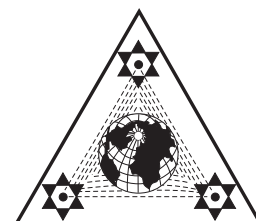
As provided under Regulations 25/26 of the SEBI Listing Regulations, none of the Independent Directors on the Board acts as an Independent Director in more than seven listed entities, none of the Wholetime/Executive Directors on the Board acts as Independent Director in more than three listed entities, none of the Directors are members in more than ten committees or acts as Chairman of more than five such committees.



# REPORT ON CORPORATE GOVERNANCE



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

## Matrix of expertise and skill of Directors

Given below are the key skills / expertise / competence identified by the Board of Directors which are required by them in the context of the business and sector of the Company to function effectively and available with them:

### Skills / Expertise / Competence Description

Business Leadership & Operations	In depth knowledge of the FMCG Industry to provide important insights and perspectives to the Board on the Company's commercial, strategic, and other functions. Leadership experience resulting in a practical understanding of the Company's processes, develop talent, succession planning and driving the long term growth strategy of the Company.
Risk Management & Governance	Knowledge and understanding of business risks to provide insights and perspective to the Board on Enterprise risk. Develop high levels of governance practices, provide insights about maintaining Board and management accountability and to protect stakeholders interest.
Finance & Accounting	Provide financial expertise to the Board, including an understanding and analysis of financial statements, corporate finance, accounting and Capital markets.
Business Expertise	In depth understanding of the Company's operating and business environment, market access and healthcare solutions. Respond to change with agility, optimism and innovation. Knowledge of Business Technology, Digital Marketing skills, Strategic Development.

## Meeting of Independent Directors

The Independent Directors met once during the financial year 2019-20, without the presence of Executive Directors or Management Representatives.

### 3) Audit Committee

The present composition of the Audit Committee is as under:

Member	Position	No. of Meetings held	No. of Meetings Attended
Mr. Natwarlal Gaur	Chairman	4	4
Mr. Aspi Nariman Katgara	Member	4	4
Mr. Udit P. Sanghai	Member	4	2

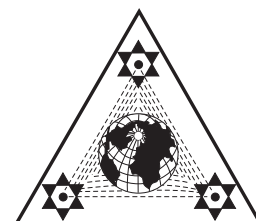
The above composition duly meets the requirements as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee acts as a link between the management, external and internal Auditors and the Board of Directors.

The functions of the Audit Committee are as per Company Law and Listing Regulations. These include review of accounting and financial policies and procedure, review of financial reporting system, internal control procedures and risk management policies.

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The Audit Committee met four times during the financial year 2019-20, on the following dates namely, May 24, 2019, August 6, 2019, November 11, 2019 and February 5, 2020 and the frequency was as prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

#### 4) Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company have constituted the "Nomination and Remuneration Committee."

The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee as approved by the Board of Directors are briefly set out below:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and provide recommendations to the Board for their appointment and removal;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board and to carry out evaluation of every director's performance; and
- To devise a policy on Board diversity.

During the year under review the following Directors were the Members of the Nomination and Remuneration Committee.

Member	Position	No. of Meetings held	No. of Meetings Attended
Mr. Aspi Nariman Katgara	Chairman	3	3
Mr. Natwarlal Gaur	Member	3	3
Mr. Rahul Kumar Sanghai	Member	3	2

The Company also has a Nomination and Remuneration Policy which is available on the website of the Company at <http://poloqueen.com/policies-and-codes.php>.

The Company has also devised a familiarization program for the Independent Directors to help them understand the Company, its management, roles and responsibilities in the Company, operations of the Company etc.

The Nomination and Remuneration Committee met three times during the financial year 2019-20 i.e. on May 24, 2019, November 11, 2019 and February 5, 2020.

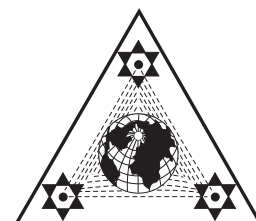
The details of remuneration paid to Directors/ Executive Directors for the financial year ended March 31, 2020 are set out below:

The Independent Directors are paid only sitting fees for attending Board/Committee Meetings. The details of sitting fees paid to the Directors during the year under review are as under:

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## Non Executive Directors

(Amount in Thousands)

Name	Sitting Fees Paid
Mr. Aftab Mohammed Yusuf Diamondwala	20.00
Mr. Aspi Katgara	75.00
Mr. Natwarlal Gaur	75.00
Ms. Shobita Kadan resigned (w.e.f 02.11.2019)	15.00
Mr. Shridatta Haldankar	40.00
Mr. Nandlal Sanghai	45.00
Mr. Prabhas Sanghai	30.00
Mr. Rahul Kumar Sanghai	45.00
Ms. Feroza Panday appointed (w.e.f. 05.02.2020)	0.00
<b>Total</b>	<b>345.00</b>

## Executive Directors

(Amount in Thousands)

Name	Salary
Mr. Umesh Agarwal	840.00
Mr. Udit P. Sanghai	1200.00
<b>Total</b>	<b>2040.00</b>

The Company has not issued any stock options.

## 5) Stakeholders Relationship Committee

In Compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee.

The Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report etc.

\*Ms. Shobita Kadan resigned as the member of Stakeholder's Relationship Committee w.e.f. November 02, 2019.

#Mr. Shridatta Haldankar appointed as the member of Stakeholder's Relationship Committee w.e.f. November 11, 2019. Thereafter the Stakeholders Relationship Committee was reconstituted and the following are the members of the Committee.

Member	Position	No. of Meetings held	No. of Meetings Attended
Mr. Rahul Kumar Sanghai	Chairman	2	2
Mr. Nandlal Sanghai	Member	2	2
Ms. Shobita Kadan resigned* w.e.f (02.11.2019)	Member	2	1
Mr. Shridatta Haldankar appointed# (w.e.f. 11.11.2019)	Member	2	NA

The Stakeholders Relationship Committee met two times during the financial year 2019-20, on the following dates namely, May 24, 2019 and August 6, 2019.

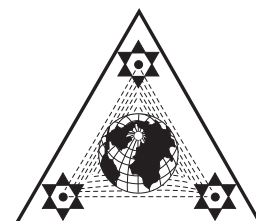
Ms. Vandana Yadav, Company Secretary is the Compliance Officer.

During the financial year there were no complaints received from the shareholders.

# REPORT ON CORPORATE GOVERNANCE



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## 6) General Body Meeting

Details of Last 3 Annual General Meetings (AGMs) were as under:

Date of AGM	Financial Year	Venue/Location	Time of Meeting
28-09-2017	2016-2017	Fantasy, 1st Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Opp. Atria Mall, Worli, Mumbai - 400018	4.00 p.m.
21-09-2018	2017-2018	Fantasy, 1st Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Opp. Atria Mall, Worli, Mumbai - 400018	4.00 p.m.
13-08-2019	2018-2019	Mayfair Banquet, 254-C, Dr. Annie Besant Road, Worli, Mumbai, 400030	3.30 p.m.

### SPECIAL RESOLUTION PASSED:

#### 1. 32nd AGM held on September 19, 2016:

- Special Resolution pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 for appointment/re-appointment of Mr. Udit P. Sanghai and Mr. Umesh Agarwal as Whole time Directors for a tenure of 3 years commencing from January 1, 2017 and April 1, 2017 respectively.

#### 2. Through Postal Ballot held in the month of July, 2016

- The Company had sought the approval of shareholders by Postal ballot including voting by electronic means to pass Special Resolutions for the following matters:
  - Approval for the transfer of Leasehold Property pursuant to Section 180(1)(a) to Polo Queen Solutions Limited, the wholly owned subsidiary of the Company.
  - Approval for the transfer of Leasehold Property pursuant to Section 180(1)(a) to Polo Queen Pharma Trade Industry Limited, the wholly owned subsidiary of the Company.

Special Resolutions for the above transactions were passed by the members of the Company through Postal Ballot and the result was declared on August 24, 2016.

#### 3. 33rd AGM held on September 28, 2017:

- Special Resolution for adoption of a new set of Articles of Association under the Companies Act, 2013.
- Special Resolution for revision in the remuneration of Mr. Udit P. Sanghai, Whole- time Director and Chief Financial Officer of the Company.

#### 4. 34th AGM held on September 21, 2018:

No Special Resolution was passed at the Thirty Fourth Annual General Meeting of the Company.

#### 5. 35th AGM held on August 13, 2019:

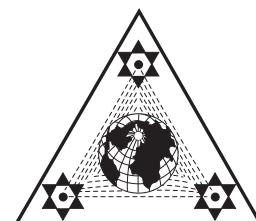
Special Resolution pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 for appointment/re-appointment of Mr. Udit P. Sanghai and Mr. Umesh Agarwal as Whole time Directors for a tenure of 3 years commencing from January 1, 2020 and April 1, 2020 respectively.

Special Resolution pursuant to provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 for appointment/re-appointment of Mr. Shridatta Haldankar Independent Director for a tenure of five years with effect from January 29, 2019 to January 28, 2024 respectively.

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Special Resolution pursuant to provisions of Sections 161(1) and any other applicable provisions of the Companies Act, 2013 for appointment of Mr. Prabhas Sanghai Director.

Special Resolution pursuant to provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 for appointment/re-appointment of Mr. Aspi Katgara , Mr. Natwarlal Gaur and Mr. Aftab Diamondwala Independent Director for a tenure of five years commencing from August 20, 2019 respectively.

## 7) Disclosures

### 1. Related Party Transactions

There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their relatives and group companies, not conflicting with the Company's interest, the details of which have been shown in Note 38 of Standalone Financial Statements, Notes forming part of the Accounts for the year ended March 31, 2020. All Related Party Transactions are periodically placed before the Audit Committee / Board for its review and approval. The Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website and the weblink of the same is: <http://poloqueen.com/policies-and-codes.php>

The Company has not entered into any transaction of material nature with the promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The register of contracts containing transactions, in which directors are interested, is placed before the board regularly.

### 2. Code of Conduct

The Board of Directors of the Company has laid down two separate Codes of Conduct - one for Directors and other for Senior Management and Employees.

All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year review. A Declaration signed by Director to this effect is annexed to this report.

### 3. CEO/CFO Certification

As required under Regulation 17(8), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CFO has given a certificate to the Board in the prescribed format for the year ended March 31, 2020.

### 4. Risk Management

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

### 6. Statutory Compliance, Penalties and strictures

The Company has complied with all the requirements of regulatory authorities on matters relating to capital markets and no penalties/ strictures have been imposed on the Company by the Stock Exchange or SEBI.

### 7. Whistle Blower Policy

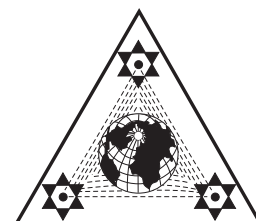
The Company has a Vigil Mechanism/Whistle-Blower Policy to deal with instances of fraud and mis-management, if any, and conducting business with integrity, including in accordance with all applicable laws and regulations. Employees and Directors of the Company can report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics, without fear of punishment for such disclosure or unfair treatment. The Company has designated the Internal Auditors to receive and process complaints received under this Policy and in turn to report to the Chairman of the Audit Committee, who will place the same before the Audit Committee for its consideration and recommendations to the Management.



# REPORT ON CORPORATE GOVERNANCE



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## 8. Means of Communication

The Company publishes its Unaudited quarterly, half yearly and yearly financial results in leading national newspapers; namely "The Free Press Journal - English Edition" and "Navshakti - Marathi Edition". The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company displays the financial results on its website. The company has not sent the half yearly report to the Shareholders. No presentations were made to the institutional investors or analysts during the year under review.

## 9) General Shareholder Information

The 36th Annual General Meeting of the Company will be held on Tuesday, October 20, 2020 at 3.00 p.m. Through Video Conference/ Other Audio Visual Means (e- AGM)

a. Financial Calendar	The Board of Directors of the Company approves the unaudited results for each quarter within such number of days as may prescribed under the Listing Regulations from time to time
b. Book Closure Period	Wednesday, October 14, 2020 to Tuesday, October 20, 2020 (both days inclusive)
c. Dividend Payment Date	Not Applicable

## Listing on Stock Exchanges

Sr. No.	Name of the Stock Exchange	Code No./Script Name
1.	The Metropolitan Stock Exchange of India Ltd.	PQIF
2.	BSE Limited	540717

The Shares of the Company are listed with Metropolitan Stock Exchange of India Limited and BSE Limited.

The Annual listing fees of Metropolitan Stock Exchange of India Limited and BSE Limited have been paid by the Company for the year 2020 - 2021.

## Market Price Data

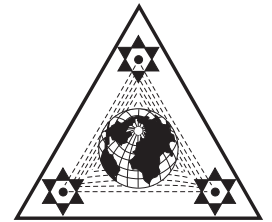
The Company's shares were listed with BSE Limited w.e.f. September 28, 2017. The monthly wise High Low Share Price of the Company's Equity Shares during financial year 2019-20 from the website of BSE Limited is as follows:

Month	High	Low	No. of Shares Traded
April 2019	86.00	81.70	5
May 2019	81.00	74.00	4
June 2019	77.00	55.85	16
July 2019	53.10	33.45	29
August 2019	33.35	28.85	7
September 2019	30.25	27.40	6
October 2019	26.10	22.50	6
November 2019	22.00	21.05	7
January 2020	21.00	21.00	1
February 2020	22.00	16.70	22
March 2020	16.30	14.05	9

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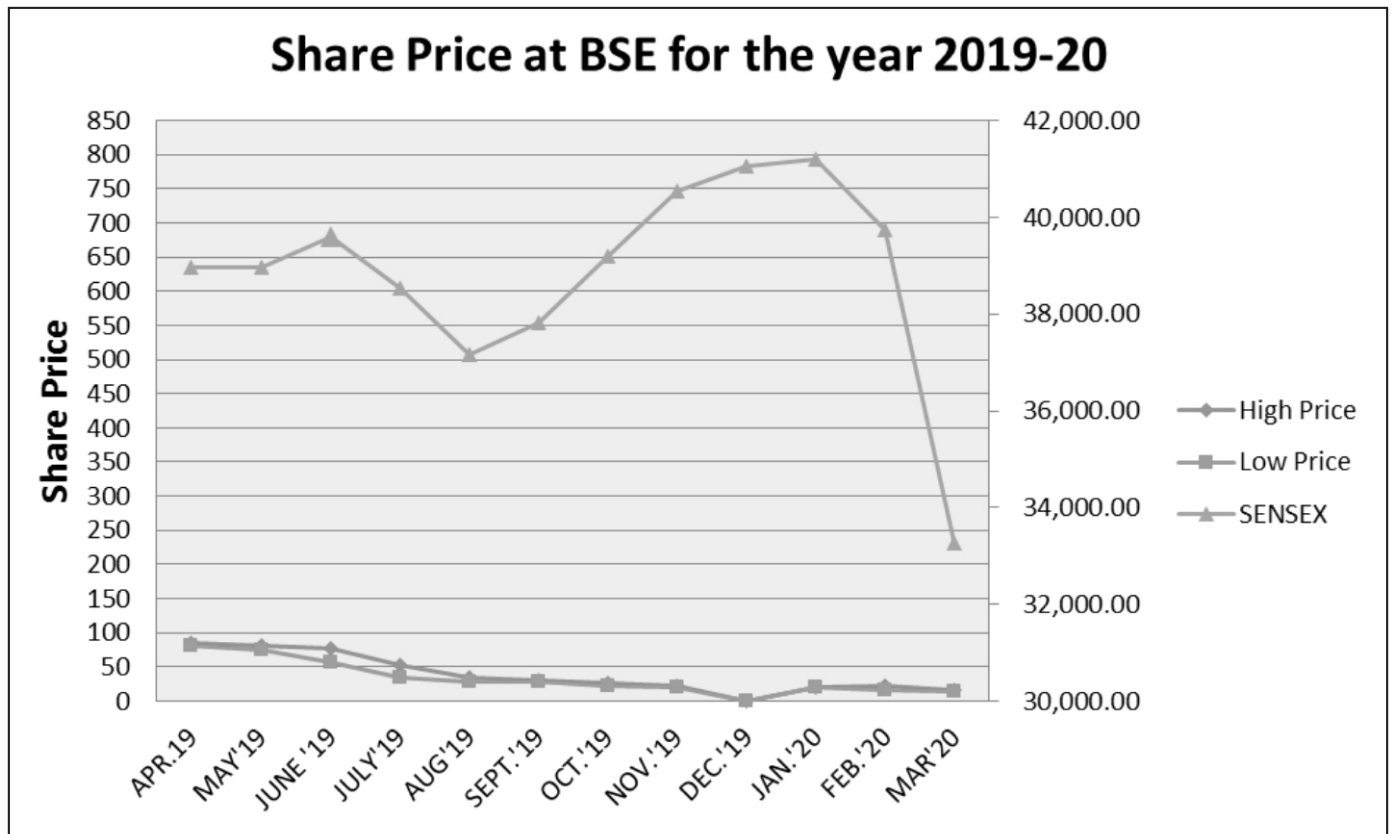


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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Performance of the Company's stock price in comparison with BSE Sensex TO be changed for 2019 - 20**



**Dematerialisation of Shares**

The Equity Shares of the Company are traded compulsorily in Dematerialised mode.

**ISIN No. of the Company's Equity Shares in Demat Form : INE689M01017**

**Registrar and Transfer Agent (RTA) :**

**Satellite Corporate Services Pvt. Ltd**

Office No. 106 & 107, Dattani Plaza, East West Compound,  
Andheri Kurla Road, Sakinaka, Mumbai - 400072.  
Tel No. 022 - 28520461/462. Fax No. 022-28511809  
Email: [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

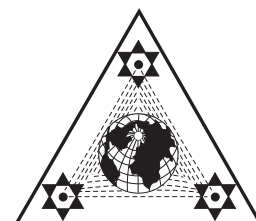
**Share Transfer System:**

The Company has continued the appointment of Registrar and Transfer Agents for accepting, transferring and delivering the transferred Share Certificates. All the transfers received in order, are processed within a period of 15 days from the date of receipt.

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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Shareholding Pattern of the Company as on March 31, 2020.**

SN	Holders	No. of Shares Held	% of paid up Capital
A.	Promoters Holding	50308102	74.92
B.	Mutual Funds and UTI, Banks and Financial Institutions	0	0.00
C.	Bodies Corporate	12553825	18.70
D.	Indian Public	4226623	6.29
E.	NRI's / OCB's	61450	0.09
	<b>Total</b>	<b>67150000</b>	<b>100.00</b>

**Board Shareholding Distribution**

Range of Shares	Number of Share Holders	Percentage of Share Holders	No. of Share	Percentage (%)
1 to 5000	489	90.06	44696	0.07
5001 to 10000	3	0.55	23014	0.03
10001 to 20000	6	1.10	94053	0.14
20001 to 30000	2	0.37	43903	0.07
30001 to 40000	0	0.00	0	0.00
40001 to 50000	7	1.29	333022	0.50
50001 to 100000	2	0.37	131050	0.20
100001 & Above	34	6.26	66480262	99.00
<b>Total</b>	<b>543</b>	<b>100.00</b>	<b>67150000</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity :**

99.99 % of Company's Equity Shares have been dematerialized as on March 31, 2020.

**Investor's Correspondence :**

All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:

Company Secretary and Compliance Officer : **Ms. Vandana Yadav**

304, A to Z Industrial Estate,

Ganpatrao Kadam Marg,

Lower Parel, Mumbai - 400 013.

Tel No. : 022-24935421/24817001

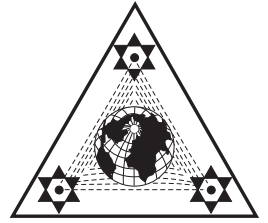
Fax No. : 022-24935420/24817047

Email: vandana.yadav@poloqueen.com

# REPORT ON CORPORATE GOVERNANCE



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

## 10. COMPLIANCE OF NON-MANDATORY REQUIREMENTS

### 1) Chairman of the Board

The Company does not have a Chairman of the Board. At every Board Meeting, a Director is elected as Chairman to preside over the meeting. Hence, there is no separate office in the Company for the post of Chairman.

### 2) Shareholders Rights

Half yearly results including summary of the significant events are not being sent to Shareholders of the Company.

### 3) Postal Ballot

No resolutions are proposed to be passed by Postal Ballot

### 4) Audit Qualification.

There is no Audit Qualification by the Statutory Auditors.

For and on behalf of the Board of Directors

NANDLAL SANGHAI	DIRECTOR	(DIN - 00181592)
RAHUL KUMAR SANGHAI	DIRECTOR	(DIN - 00181745)
PRABHAS SANGHAI	DIRECTOR	(DIN - 00302947)
UMESH AGARWAL	WHOLE TIME DIRECTOR	(DIN - 00231799)
UDIT P. SANGHAI	WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER	(DIN - 06725206)

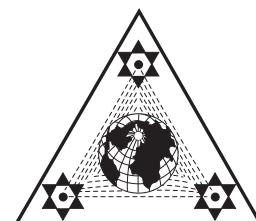
Place : Mumbai

Date : September 14, 2020

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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**Polo Queen Industrial and Fintech Limited**

I have examined the compliance of conditions of Corporate Governance by Polo Queen Industrial and Fintech Limited, for the year ended March 31, 2020, as per Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

This certificate is issued solely to comply with the Listing Regulations and may not be suitable for any other purpose.

**GRISHMA KHANDWALA**

**Company Secretary**

**ACS No. 6515**

**C.P. No. 1500**

**Place : Mumbai**  
**Date : September 14, 2020**

**UDIN No. A006515B000722076**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Polo Queen Industrial and Fintech Limited**

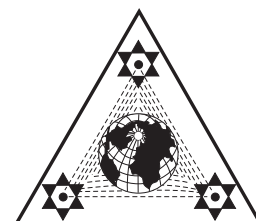
I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Polo Queen Industrial and Fintech Limited having CIN L72200MH1984PLC094539 and having registered office at 304, A to Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, (the Company), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V, Para - C sub - clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment*
1	MR. NANDLAL SANGHAI	181592	27/09/1993
2	MR. RAHULKUMAR SANGHAI	181745	19/08/2000
3	MR. UMESH KUMAR AGARWAL	231799	27/09/1993
4	MRS. FEROZA PANDAY	232812	05/02/2020
5	MR. PRABHAS SANGHAI	302947	11/02/2019
6	MR. Udit SANGHAI	6725206	01/01/2014
7	MR. NATWARLAL GAUR	6945450	19/08/2014
8	MR. AFTAB DIAMONDWALA	6946487	19/08/2014
9	MR. ASPI KATGARA	6946494	19/08/2014
10	MR. SHRIDATTA HALDANKAR	8342307	29/01/2019

\* the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**GRISHMA KHANDWALA**  
Company Secretary  
ACS No. 6515  
C.P. No. 1500

**Place : Mumbai**  
**Date : September 14, 2020**

**UDIN No. A006515B000722076**

### Declaration on Code of Conduct

The Declaration for Code of Conduct in compliance with Regulation 26 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.

To,  
The Members of  
**Polo Queen Industrial and Fintech Limited**

I, Umesh Agarwal, Whole Time Director of the Company, hereby confirm that, all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2019-20 and will abide the aforesaid Code for the financial year 2020-21.

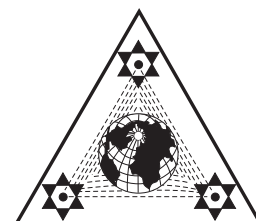
**For Polo Queen Industrial And Fintech Limited**  
**UMESH AGRAWAL**  
**WHOLE TIME DIRECTOR**  
**(DIN - 00231799)**

**Place : Mumbai**  
**Date : September 14, 2020**

**REPORT ON  
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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**CEO CFO CERTIFICATE**

[Pursuant to Regulation 17(8) read with Part B of Schedule II of SEBI  
(Listing Regulations and Disclosure Requirements), Regulations, 2015]

To  
The Board of Directors  
**Polo Queen Industrial and Fintech Limited**

Dear members of the Board,

We, Umesh Agarwal, Whole Time Director and Udit P. Sanghai, Whole Time Director and Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2020, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Place : Mumbai  
Date : September 14, 2020**

**Umesh Agarwal  
Whole Time Director  
DIN: 00231799**

**Udit P. Sanghai  
Whole Time Director and Chief Financial Officer  
DIN: 06725206**



## INDEPENDENT AUDITOR'S REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

To The Members Of

**Polo Queen Industrial And Fintech Limited**

**Report on the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of Polo Queen Industrial & Fintech Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, of the state of affairs of the Company as at March 31, 2020, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

We have determined that there are no key audit matters to communicate in our report.

### **Other information**

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with governance for the standalone Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section



## INDEPENDENT AUDITOR'S REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

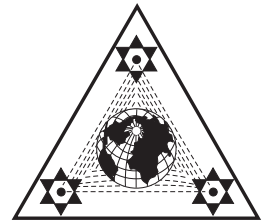
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## INDEPENDENT AUDITOR'S REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
  2. As required by section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - b) In our opinion, proper books of account 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, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai  
Dated : June 26, 2020  
UDIN : 20112353AAAABJ6540

**FOR GUPTA RAJ & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM NO. 001687N**

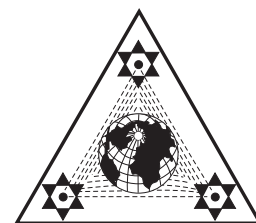
**CA NIKUL JALAN**  
**PARTNER**  
**MEMBERSHIP NO. 0112353**



## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### "Annexure 1" to the Independent Auditors' Report

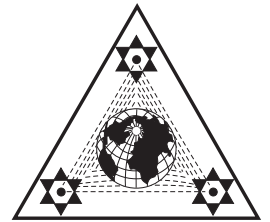
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification. However, no written report is available.
  - (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As per the information and explanation given to us, there is old outstanding in respect of loan given to one party of Rs. 50,00,000/- covered in the register maintained under Section 189 of the Act. Interest payment is settled upto 31.03.2003. Subsequent interest is in dispute and hence no income and interest provision is made in the books of accounts till date. During the year we have recovered the principal amount of Rs. 50,00,000/- from the above company (sick company). However, no interest could be recovered from the above party and the irrecoverable interest is waived by mutual understanding between the parties.
- (a) In our opinion and according to the information and explanations given to us, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
- (b) In respect of loans granted during the year, the schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated thus we are unable to comment whether the repayments or receipts are regular and report amounts overdue for more than ninety days, if any, as required under paragraph 3(iii)(c) of the Order.
- (iv) As per the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) As per the information and explanations given to us, in respect of the class of industry in which the Company falls, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) The company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, Goods and Service Tax, cess and any other statutory dues applicable to it with the appropriate authorities. According to the

# ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

information and explanations given to us, no undisputed amounts payable in respect of above dues were in arrears, as at 31 March, 2020 for a period of more than six months from the date they became payable.

(xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the companies Act, 2013.

(b) According to the information and explanations given to us, there are no dues of income tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(viii) According to the information and explanation given to us, the company has not defaulted in repayment of dues to bank / financial institutions. The Company has not taken loan from government or has no dues to debenture holders.

(xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) or term loans hence reporting under clause (ix) of the CARO 2016 order is not applicable to Company

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company

(x) 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 fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

As per the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 .

Place: Mumbai  
Dated : June 26, 2020  
UDIN: 20112353AAAABJ6540

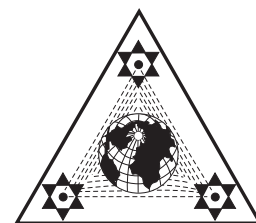
FOR GUPTA RAJ & CO.  
CHARTERED ACCOUNTANTS  
FIRM NO. 001687N

CA NIKUL JALAN  
PARTNER  
MEMBERSHIP NO. 0112353

## ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Polo Queen Industrial & Fintech Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

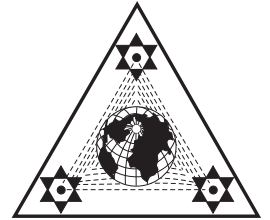
### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

## ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections

of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. Our opinion is not modified in respect of this matter.

Place: Mumbai  
Dated : June 26, 2020  
UDIN: 20112353AAAABJ6540

FOR GUPTA RAJ & CO.  
CHARTERED ACCOUNTANTS  
FIRM NO. 001687N

CA NIKUL JALAN  
PARTNER  
MEMBERSHIP NO. 0112353



## BALANCE SHEET

As at March 31, 2020

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

(Amount in Thousands)

Particulars	Note No.	As At March 31, 2020	As At March 31, 2019
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	17,93,564.98	17,94,022.24
(b) Capital work-in-progress	3	1,21,150.80	1,08,449.61
(c) Intangible assets	4	746.08	888.17
(d) Financial Assets			
(i) Investments in subsidiaries	5	23,500.00	23,500.00
(ii) Other Investments		-	-
(iii) Others	6	445.67	381.67
(e) Deferred tax assets (net)	7	676.26	665.51
(f) Other non-current assets	8	1,570.00	5,000.00
(g) Non-Current Tax Assets (Net)	9	3,569.44	3,552.55
<b>Total non current assets</b>		<b>19,45,223.23</b>	<b>19,36,459.75</b>
<b>(2) Current Assets</b>			
(a) Inventories	10	18,672.85	23,630.90
(b) Financial Assets			
(i) Trade receivables	11	69,785.05	77,278.17
(ii) Cash and cash equivalents	12	661.87	205.53
(iii) Bank balances other than (ii) above	13	2,660.30	2,507.94
(iv) Loans	14	225.00	76.26
(c) Other current assets	15	1,828.85	1,820.32
(d) Current Tax Assets (Net)	16	207.26	207.26
<b>Total current assets</b>		<b>94,041.19</b>	<b>1,05,726.39</b>
<b>TOTAL ASSETS</b>		<b>20,39,264.42</b>	<b>20,42,186.15</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity share capital	17	6,71,500.00	6,71,500.00
(b) Other equity	18	11,42,234.15	11,44,853.84
<b>Total equity</b>		<b>18,13,734.15</b>	<b>18,16,353.84</b>
<b>(2) Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	1,07,195.00	92,359.16
(b) Provisions	20	464.20	438.92
(c) Other non-current liabilities	21	54.83	209.68
<b>Total non current liabilities</b>		<b>1,07,714.03</b>	<b>93,007.76</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	42,497.40	66,404.67
(ii) Trade payables	23		
Dues of micro enterprise and small enterprise		4,990.64	3,671.60
Dues of creditor other than micro enterprise and small enterprise		69,054.32	61,626.74
(iii) Other financial Liabilities	24	1,174.51	817.89
(b) Other current liabilities	25	99.37	303.66
(c) Current Tax Liabilities	26	-	-
<b>Total Current liabilities</b>		<b>1,17,816.24</b>	<b>1,32,824.55</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,39,264.42</b>	<b>20,42,186.15</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes form an integral part of the financial statements

As per our report of Even Date

For GUPTA RAJ & CO.

Chartered Accountants

Firm Reg No : 001687N

CA NIKUL JALAN

PARTNER

Mem. No. 0112353

Place : Mumbai

Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
 DIRECTOR  
 (DIN - 00181592)

PRABHAS SANGHAI  
 DIRECTOR  
 (DIN - 00302947)

RAHUL KUMAR SANGHAI  
 DIRECTOR  
 (DIN - 00181745)

UDIT P. SANGHAI  
 WHOLE TIME DIRECTOR & CFO  
 (DIN - 06725206)

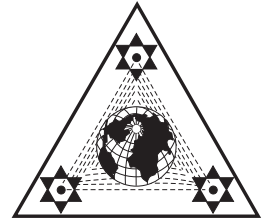
VANDANA YADAV  
 COMPANY SECRETARY  
 (MEM NO - A40717)



From the house of



36<sup>th</sup> ANNUAL REPORT



## STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Particulars	Note No.	(Amount in Thousands)	
		For the year end March 31, 2020	For the year end March 31, 2019
<b>Revenue</b>			
I. Revenue from Operations (Gross)		-	-
Sales of products	27	1,73,360.60	5,17,219.49
Other Operating revenue		-	-
II. Other income	28	6,462.37	2,672.53
<b>III. Total Income (I+II)</b>		<b>1,79,822.97</b>	<b>5,19,892.03</b>
<b>IV. Expenses</b>			
Cost of materials consumed	29	104.16	2,294.43
Purchase of stock-in-trade (Traded goods)	30	1,28,709.33	4,56,656.14
Changes in inventories of stock-in-trade	31	4,853.88	(7,210.97)
Employee Benefits Expenses	32	11,124.67	11,847.82
Finance Cost	33	10,216.11	13,837.52
Depreciation and Amortization Expenses	2	883.06	1,106.37
Other Expenses	34	26,562.20	33,622.20
<b>Total Expenses (IV)</b>		<b>1,82,453.41</b>	<b>5,12,153.52</b>
<b>V. Profit/(loss) before Tax</b>		<b>(2,630.44)</b>	<b>7,738.50</b>
<b>VI. Tax expense:</b>			
1. Current Tax		-	2,080.72
2. Deferred Tax	6	(10.75)	(48.42)
2. Tax adjustment of Earlier year		-	(474.42)
<b>VII. Profit/(Loss) for the period</b>		<b>(2,619.69)</b>	<b>6,180.62</b>
<b>VIII. Other comprehensive income</b>			
<b>IX. Total comprehensive income for the period</b>		<b>(2,619.69)</b>	<b>6,180.62</b>
<b>X. Earnings per equity share</b>			
Basic and diluted earnings per share	35	(0.00)	0.00
Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of Even Date

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

For GUPTA RAJ & CO.  
Chartered Accountants  
Firm Reg No : 001687N

NANDLAL SANGHAI  
DIRECTOR  
(DIN - 00181592)

PRABHAS SANGHAI  
DIRECTOR  
(DIN - 00302947)

RAHUL KUMAR SANGHAI  
DIRECTOR  
(DIN - 00181745)

CA NIKUL JALAN  
PARTNER  
Mem. No. 0112353

Place : Mumbai  
Date : June 26, 2020

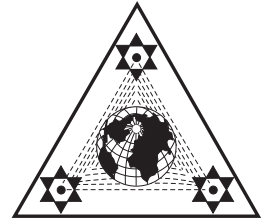
UDIT P. SANGHAI  
WHOLE TIME DIRECTOR & CFO  
(DIN - 06725206)

VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)

From the house of



36<sup>th</sup> ANNUAL REPORT



**STATEMENT OF  
CHANGES IN EQUITY  
(SOCIE)**

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

(a) Equity share capital	Note	Amount in Thousands
Balance as at April 1, 2018		6,71,500.00
Changes in equity share capital during 2018-19		-
Balance as at March 31, 2019		6,71,500.00
Changes in equity share capital during the year		-
Balance as at March 31, 2020		6,71,500.00

**(b) Other equity**

Particulars	Note	Reserves & Surplus (Amount in Thousands)				
		Capital Reserve	General Reserve	Revaluation Reserve	Surplus	Total
<b>Balance at April 1, 2018</b>		8,53,387.42	21,539.84	2,34,286.52	29,459.44	<b>11,38,673.22</b>
Profit for the year		-	-	-	6,180.62	6,180.62
Other comprehensive income for the year		-	-	-	-	-
<b>Balance at March 31, 2019</b>		<b>8,53,387.42</b>	<b>21,539.84</b>	<b>2,34,286.52</b>	<b>35,640.06</b>	<b>11,44,853.84</b>
Profit for the year		-	-	-	(2,619.69)	(2,619.69)
Other comprehensive income for the year		-	-	-	-	-
<b>Balance at March 31, 2020</b>		<b>8,53,387.42</b>	<b>21,539.84</b>	<b>2,34,286.52</b>	<b>33,020.37</b>	<b>11,42,234.15</b>

As per our report of Even Date  
For GUPTA RAJ & CO.  
Chartered Accountants  
Firm Reg No : 001687N

CA NIKUL JALAN  
PARTNER  
Mem. No. 0112353

Place : Mumbai  
Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
DIRECTOR  
(DIN - 00181592)

PRABHAS SANGHAI  
DIRECTOR  
(DIN - 00302947)

RAHUL KUMAR SANGHAI  
DIRECTOR  
(DIN - 00181745)

UDIT P. SANGHAI  
WHOLE TIME DIRECTOR & CFO  
(DIN - 06725206)

VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)



## CASH FLOW STATEMENT

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Particulars	(Amount in Thousands)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	(2,630.44)	7738.50
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation and amortisation expense	883.06	1106.37
Profit on sale of Fixed Assets		
Provision for expenses	25.28	132.71
Interest received	(346.56)	(1,389.87)
Proceeds from security deposit	(64.00)	32.39
Sundry balance written off	(53.40)	132.02
Interest Paid	9,957.98	13542.52
Other borrowing cost	258.13	295.00
<b>Operating profit before Working Capital Changes</b>	<b>8,030.05</b>	<b>21,589.64</b>
Changes in assets and liabilities		
(Increase) / Decrease in Inventory	4,958.05	(6,142.64)
(Increase) / Decrease in Trade receivables	7,493.12	58251.90
(Increase) / Decrease in Short term Loans and advances	(148.74)	61.81
(Increase) / Decrease in Other financial assets	(152.36)	(143.77)
(Increase) / Decrease in Other current assets	(8.53)	160.87
Increase / (Decrease) in Short term Borrowings	(23,907.27)	24214.12
Increase / (Decrease) in Trade payables	8,746.62	(38,359.17)
Increase / (Decrease) in Other financial liabilities	331.34	308.90
Increase / (Decrease) in Other Current liability	(204.29)	(268.86)
Increase / (Decrease) in Other liabilities	(154.85)	(440.32)
<b>Cash Generated From Operations</b>	<b>4,983.14</b>	<b>59,232.49</b>
Income taxes paid	(61.80)	2937.77
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>5,044.94</b>	<b>56,294.71</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment towards Capital expenditure	(12,701.19)	(58,544.70)
Fixed Deposit proceeds	-	-
Purchase of fixed assets	(285.09)	(765.95)
Sale of fixed assets	1.38	-
Loan and Advances	3,430.00	-
Interest received	346.56	1389.87
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(9,208.34)</b>	<b>(57,920.78)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(9,957.98)	(13,542.52)
Borrowing cost	(258.13)	(295.00)
Loan taken	14,835.84	15246.16
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>4,619.74</b>	<b>1,408.64</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents		
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>456.34</b>	<b>(217.43)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	205.53	422.96
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>661.87</b>	<b>205.53</b>

As per our report of Even Date

For GUPTA RAJ & CO.

Chartered Accountants

Firm Reg No : 001687N

CA NIKUL JALAN

PARTNER

Mem. No. 0112353

Place : Mumbai

Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
DIRECTOR  
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From the house of



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2020

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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Accompanying notes to the financial statements for the year ended 31st March, 2020

**Company Overview:** The Company was incorporated under the Companies Act, 1956 on 19th July, 1984 under the name of POLO QUEEN INDUSTRIAL AND FINTECH LIMITED. The Company is domiciled in India and is listed on the BSE Ltd. (BSE) and Metropolitan Stock Exchange of India Ltd (MSEI). The Company's registered office is at 304, A to Z Industrial estate, Ganpat Rao Marg, Lower Parel, Mumbai, MH 400013. The Company along with its divisions viz Doan Rajkamal, Polo Queen Solutions, Polo Queen Minchems and Polo Queen Pharma is a company which has its activities spread over many businesses like production and marketing of FMCG products in the domestic market with supplies to defense sector, development of I.T. Park as well trading in chemicals and minerals.

#### 1: SIGNIFICANT ACCOUNTING POLICIES

##### (i) Basis of Preparation of financial statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

##### (ii) Basis of Measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated

##### (iii) Key estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Information about critical judgments in

applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which component of the cost may be capitalized - Note 1(V).
- Impairment of Property, Plant and Equipment's - Note 2
- Recognition and measurement of defined benefit obligations - Note 1(xv)
- Recognition of deferred tax assets - Note 1(xvii)
- Fair value of financial instruments - Note 1(iv)
- Provisions and Contingent Liabilities - Note 41

#### Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this, the operations in many of manufacturing, distribution centers, warehouses and extended supply chain partner locations got temporarily disrupted.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2020

### POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

monitor any material changes to future economic conditions.

#### (iv) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

#### (v) Property plant and equipment (PPE).

PPE are initially recognized at cost except the assets of the transferor company acquired in the amalgamation which was recognized at book value by the company. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is provided on a pro-rata basis on Written Down value method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Estimated useful lives by major class of assets are as follows:

Plant and Equipment - 5 years  
 Motor Vehicles - 8 years  
 Computers - 3 years  
 Office Equipment - 5 years  
 Furniture & Fixtures - 10 years

Freehold land is not depreciated

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

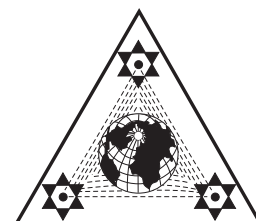
The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are



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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in financial statements.

The company had acquired land and building on lease basis, on which company paid the nominal amount of lease rent and the title asset belongs to the company so as a result Ind AS 116 'Leases' is not applied.

### (vi) Intangible Assets-

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Computer Software - 5 years

Trademarks - 10 years

### (vii) Non - derivative Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### (viii) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage

### (ix) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income

### (x) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognized by the Company are measured at the proceeds received net off direct issue cost.

### Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2020

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### (xi) Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

The Company accounts for each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

### (xii) Impairments of Non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset

When there is indication that an impairment loss recognized for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

### (xiii) Inventories:

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (xiv) Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflect the consideration which the

company expects to receive in exchange for those products or services

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discount, price concessions and incentives, if any as specified in the contract with the customer. Revenue also excludes taxes collected from customers

Revenue from subsidiaries is recognized based on transaction price which is at arm's length.

Dividend income is recognized when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably

### (xv) Employee benefits

#### Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

#### Defined benefit plans

The Company also provides for retirement benefits in the form of gratuity, compensated absences and medical benefits including to the employees of subsidiary and group companies.

#### Post Employment Benefits

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

#### Terminal Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2020

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### (xvi) Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred

### (xvii) Taxes on Income

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date

#### Deferred Tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority

### (xviii) Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable

### (xix) Earnings per share

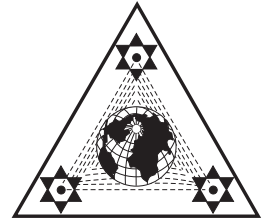
Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the year presented.

# NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2020



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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Notes to financial statements for the year ended March 31, 2020

## Note 2 : Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020:

DESCRIPTION	(Amount in Thousands)							
	Plant and Equipment	Motor Vehicle	Office Equipment	Furniture & Fixtures	Computers	Mahad MIDC Leasehold Land	IT Park - Leasehold Land & Building	TOTAL
Cost as at April 1, 2019	2,078.29	5,741.97	770.27	3,929.05	244.95	2,68,857.01	15,22,666.70	18,04,288.24
Additions	40.98	-	-	-	-	244.11	-	285.09
Deletions	1.38	-	-	-	-	-	-	1.38
<b>Cost as at March 31, 2020 (A)</b>	<b>2,117.89</b>	<b>5,741.97</b>	<b>770.27</b>	<b>3,929.05</b>	<b>244.95</b>	<b>2,69,101.12</b>	<b>15,22,666.70</b>	<b>18,04,571.94</b>
Accumulated depreciation as at April 1, 2019	1,692.05	4,432.00	520.34	3,390.84	230.77	-	-	10,266.00
Depreciation for the current period	129.08	397.21	109.28	103.52	1.88	-	-	740.97
Deletions	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2020 (B)</b>	<b>1,821.13</b>	<b>4,829.21</b>	<b>629.62</b>	<b>3,494.36</b>	<b>232.66</b>	<b>-</b>	<b>-</b>	<b>11,006.97</b>
<b>Net carrying amount as at March 31, 2020 (A) - (B)</b>	<b>296.76</b>	<b>912.76</b>	<b>140.65</b>	<b>434.69</b>	<b>12.30</b>	<b>2,69,101.12</b>	<b>15,22,666.70</b>	<b>17,93,564.98</b>

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019:

DESCRIPTION	(Amount in Thousands)							
	Plant and Equipment	Motor Vehicle	Office Equipment	Furniture & Fixtures	Computers	Mahad MIDC Leasehold Land	IT Park - Leasehold Land & Building	TOTAL
Cost as at April 1, 2018	1,826.35	5,741.97	656.77	3,929.05	244.95	2,68,857.01	15,22,666.70	18,03,922.79
Additions	251.95	-	113.50	-	-	-	-	365.45
Deletions	-	-	-	-	-	-	-	-
Transferred as per scheme of Arrangement	-	-	-	-	-	-	-	-
<b>Cost as at March 31, 2019 (A)</b>	<b>2,078.29</b>	<b>5,741.97</b>	<b>770.27</b>	<b>3,929.05</b>	<b>244.95</b>	<b>2,69,857.01</b>	<b>15,22,666.70</b>	<b>18,04,288.24</b>
Accumulated depreciation as at April 1, 2018	1,567.18	3,854.40	364.31	3,247.21	219.49	-	-	9,252.59
Depreciation for the year	124.87	577.60	156.03	143.64	11.28	-	-	1,013.42
Deletions	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2019 (B)</b>	<b>1,692.05</b>	<b>4,432.00</b>	<b>520.34</b>	<b>3,390.84</b>	<b>230.77</b>	<b>-</b>	<b>-</b>	<b>10,266.00</b>
<b>Net carrying amount as at March 31, 2019 (A) - (B)</b>	<b>386.25</b>	<b>1,309.97</b>	<b>249.92</b>	<b>538.21</b>	<b>14.18</b>	<b>2,69,857.01</b>	<b>15,22,666.70</b>	<b>17,94,022.24</b>

**Note:** (A) The management has reviewed the carrying values of the Property Plant and Equipment at the year end and it is concluded that nothing has been related to Impairment of Assets.

(B) Mahad MIDC & IT Park Land & Building is on lease basis with the lease rental of Rs. 1.00 and since the amount is Insignificant Ind AS 116 is not applied.

(C) The IT Park-Land & Building acquired in amalgamation was recorded at book value and there is no diminution in the value of said assets till the even date.

## Note 3 : Capital Work in progress

DESCRIPTION	(Amount in Thousands)		
	Mahad Land & Building	IT Park Land & Building	TOTAL
Cost as at April 1, 2018	39,862.84	10,042.07	49,904.91
Additions	56,510.80	2,033.90	58,544.70
Deletions	-	-	-
<b>Cost as at March 31, 2019</b>	<b>96,373.64</b>	<b>12,075.97</b>	<b>1,08,449.61</b>
Additions	11,175.77	1,525.42	12,701.19
Deletions	-	-	-
<b>Cost as at March 31, 2020</b>	<b>1,07,549.41</b>	<b>13,601.40</b>	<b>1,21,150.80</b>

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Note 4 : Intangibles Assets**

Following are the changes in the carrying value of intangible assets for the year ended March 31, 2020:

DESCRIPTION	(Amount in Thousands)		
	Trade Mark	Computer Software	TOTAL
Cost as at April 1, 2019	1068.50	564.20	1632.70
Additions	0.00	0.00	0.00
Deletions	0.00	0.00	0.00
<b>Cost as at March 31, 2020 (A)</b>	<b>1068.50</b>	<b>564.20</b>	<b>1632.70</b>
Accumulated amortisation as at April 1, 2019	560.40	184.13	744.53
Amortisation for the year	104.08	38.01	142.09
Deletions			0.00
<b>Accumulated amortisation and impairment as at March 31, 2020 (B)</b>	<b>664.49</b>	<b>222.14</b>	<b>886.62</b>
<b>Net carrying amount as at March 31, 2020 (A) - (B)</b>	<b>404.02</b>	<b>342.07</b>	<b>746.08</b>

Following are the changes in the carrying value of intangible assets for the year ended March 31, 2019:

DESCRIPTION	(Amount in Thousands)		
	Trade Mark	Computer Software	TOTAL
Cost as at April 1, 2018	668.00	564.20	1232.20
Additions	400.50		400.50
Deletions	0.00	0.00	0.00
<b>Cost as at March 31, 2019(A)</b>	<b>1068.50</b>	<b>564.20</b>	<b>1632.70</b>
Accumulated amortisation as at April 1, 2018	509.68	141.99	651.57
Amortisation for the year	50.73	42.23	91.96
Deletions	0.00	0.00	0.00
<b>Accumulated depreciation and impairment as at March 31, 2019 (B)</b>	<b>560.40</b>	<b>184.13</b>	<b>744.53</b>
<b>Net carrying amount as at March 31, 2019 (A)- (B)</b>	<b>508.10</b>	<b>380.08</b>	<b>888.17</b>

**Note 5 : Investments in subsidiaries**

PARTICULARS	Face Value	As at March 31, 2020		As at March 31, 2019	
		Number	Value (Amount in thousands)	Number	Value (Amount in thousands)
<b>(1) Investment in Equity Instruments ( Fully paid up )</b>					
<b>(A) Unquoted Investment</b>					
<b>(i) In Subsidiaries</b>					
Polo Queen Capital Limited	10	2,250,000	22500.00	2,250,000	22500.00
Polo Queen Pharma Trade Industry Limited	10	50,000	500.00	50,000	500.00
Polo Queen Solutions Limited	10	50,000	500.00	50,000	500.00
		<b>2,350,000</b>	<b>23,500.00</b>	<b>2,350,000</b>	<b>23,500.00</b>




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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**
**Note 6**
**Other non-current Financial Assets**

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
Security Deposits*	445.67	381.67
	<b>445.67</b>	<b>381.67</b>

\*These are security deposits given to various authorities for uncertain period

**Note 7**
**Deferred Tax Assets**

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
(a) WDV As Per Companies Act ( excluding land )	2,543.24	3,386.70
(b) WDV As Per Income Tax Act	4,684.52	5,511.67
Difference	2,141.28	2,124.97
Deferred Tax Assets on above	556.73	552.49
Deferred Tax Asset on Merger (Sec 35DD) expenses	-	-
Deferred Tax Asset on Employee benefit expenses	119.53	113.02
Total Deferred Tax Asset (Closing)	676.26	665.51
Less: Opening Deferred Tax Liability	-	-
Less: Opening Deferred Tax Assets	665.51	617.10
Deferred tax assets recognised in P & L	<b>(10.75)</b>	<b>(48.42)</b>

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 8</b> <b>Other non-current assets</b> Advances to Related Party	1,570.00	5,000.00
	<b>1,570.00</b>	<b>5,000.00</b>
<b>Note 9</b> <b>Non-Current Tax Assets (Net)</b> Indirect taxes	3,017.85	3,350.50
Direct taxes	551.59	202.05
	<b>3,569.44</b>	<b>3,552.55</b>
<b>Note 10</b> <b>Inventories</b> Raw Material	534.82	638.99
Stock in Trade	18,138.03	22,991.91
	<b>18,672.85</b>	<b>23,630.90</b>

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**NOTES TO FINANCIAL STATEMENTS**

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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 11</b>		
<b>Trade and other receivables</b>		
Trade Receivables		
Unsecured, considered good	69,785.05	77,278.17
	69,785.05	77,278.17
Less: Provision for doubtful debts	-	-
	<b>69,785.05</b>	<b>77,278.17</b>
<b>Note 12</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	24.28	34.67
Balance with banks	-	-
- Current accounts	637.58	170.87
	<b>661.87</b>	<b>205.53</b>
<b>Note 13</b>		
<b>Other bank balances</b>		
Fixed deposits due to mature within 12 months of reporting date (Including accrued interest)	2,660.30	2,507.94
	<b>2,660.30</b>	<b>2,507.94</b>
<b>Note 14</b>		
<b>Current financial assets - Loans</b>		
Loans receivables considered good, Unsecured		
Loans & advances to employees	225.00	76.26
	<b>225.00</b>	<b>76.26</b>
<b>Note 15</b>		
<b>Other current assets</b>		
Advance to Suppliers		
Unsecured, considered good	1,090.82	1,349.27
Prepaid Expenses	738.03	470.66
Sundry Advance	-	0.39
	<b>1,828.85</b>	<b>1,820.32</b>
<b>Note : 16</b>		
<b>Current Tax Assets (Net)</b>		
Income taxes	207.26	207.26
	<b>207.26</b>	<b>207.26</b>

**Note 17 : Share Capital**

**a. Details of authorised, issued and subscribed share capital**

Particulars	(Amount in Thousands)	
	March 31, 2020	March 31, 2019
<b>Authorised Capital</b>		
90,000,000 Equity shares of Rs 10 each	9,00,000.00	9,00,000.00
<b>Issued, Subscribed and fully Paid up</b>		
67,150,000 Equity shares of Rs 10 each	6,71,500.00	6,71,500.00
	<b>6,71,500.00</b>	<b>6,71,500.00</b>

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**b. Reconciliation of number of shares at the beginning and at the end of the year**

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Value (Amount in thousands)	No. of Shares	Value (Amount in thousands)
Shares outstanding at the beginning of the year	6,71,50,000	6,71,500.00	6,71,50,000	6,71,500.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>6,71,50,000</b>	<b>6,71,500.00</b>	<b>6,71,50,000</b>	<b>6,71,500.00</b>

**c. Shareholders holding information**

Shareholders holding more than 5% of shares in the company	March 31, 2020		March 31, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
Manjuladevi Sanghai	4180575	6.23%	4180575	6.23%
Divesh P Sanghai	4930700	7.34%	4930700	7.34%
Pan Emami Cosmed Limited	4100000	6.11%	4100000	6.11%
Rahul Kumar Sanghai	3632025	5.41%	3632025	5.41%
Vasudha Rahul Sanghai	5295500	7.89%	5295500	7.89%
Prabha Devi Sanghai	3382725	5.04%	3382725	5.04%
Viraj Prabhas Sanghai	4915150	7.32%	4915150	7.32%
Pritam Kumar Sanghai	4187800	6.24%	4187800	6.24%
Udit P Sanghai	4190250	6.24%	4190250	6.24%

d. The company has only one class of shares referred to as equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share.

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 18</b>		
<b>Other Equity</b>		
Capital Reserve	8,53,387.42	8,53,387.42
Revaluation reserve	2,34,286.52	2,34,286.52
General Reserve	21,539.84	21,539.84
Retained Earnings	33,020.37	35,640.06
	<b>11,42,234.15</b>	<b>11,44,853.84</b>
<b>Note 19</b>		
<b>Non Current financial Liabilities - Borrowings</b>		
<b>Unsecured</b>		
a) From related party	1,07,195.00	92,359.16
b) Other loans and advances		
i) From bank	-	-
ii) From Others	-	-
	<b>1,07,195.00</b>	<b>92,359.16</b>

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 20</b> <b>Non Current financial Liabilities - Provisions</b> Provision for employee benefits	464.20	438.92
	<b>464.20</b>	<b>438.92</b>
<b>Note 21</b> <b>Other non-current financial liabilities</b> Retention money	54.83	209.68
	<b>54.83</b>	<b>209.68</b>
<b>Note 22</b> <b>Current Financial Liabilities - Borrowings</b> <b>Secured</b> i) From Banks ii) From others	42,497.40 -	66,404.67 -
	<b>42,497.40</b>	<b>66,404.67</b>
(i) Secured Loan From bank is raised against security of the assets which are as follows. (a) Term Loan - Secured against 1st Charge on the Property Secured at MIDC Mahad , Personal guarantee of the directors and Corporate guarantee of the company. (b) Cash Credit - Secured against Hypothecation of Stock & Debtors upto 120 days. (c) Overdraft Against Govt supply bills: Hypothecations of receivables including supply bills receivables. (d) Letter of Credit: Documents under Letter of Credit and Goods under L/C. (e) Collateral Security: 1st charge on Block Assets of the company immovable and movable present and future also. (f) Negative Lien on the Property situated at MIDC Dombivli		
<b>Note 23</b> <b>Trade Payable</b> (a) Outstanding dues of Micro and Small Enterprise (b) Others	4,990.64 69,054.32	3,671.60 61,626.74
	<b>74,044.96</b>	<b>65,298.34</b>
<b>Note 24</b> <b>Current - Other financial liabilities</b> Creditors for fixed assets Accrued expenses Other deposit	1,174.51 - -	817.89 - -
	<b>1,174.51</b>	<b>817.89</b>
<b>Note 25</b> <b>Other current liabilities</b> Statutory dues payable Advance from customers Sundry advances	- - 99.37	- 117.49 186.17
	<b>99.37</b>	<b>303.66</b>

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 26</b>		
<b>Current Tax Liabilities</b>		
Income tax Liabilities	-	-
Provision for expenses	-	-
	-	-
<b>Note 27</b>		
<b>Revenue from Operations</b>		
Sales of products	1,77,196.03	5,21,891.75
Less : Trade discount, Returns, Rebate etc.,	3,835.43	4,672.26
	<b>1,73,360.60</b>	<b>5,17,219.49</b>
<b>Note 28</b>		
<b>Other Income</b>		
Interest income on :		
- Deposits with banks	169.29	159.75
Inter corporate loan	177.27	1,230.12
MEIS Duty Credit	179.34	-
Claim Received	57.68	424.68
Sundry credit balances Written off	53.40	(132.02)
Rent received	60.00	990.00
Freight Charges on Export Sales	10.57	-
Commission Received	5,754.83	-
	<b>6,462.37</b>	<b>2,672.53</b>
<b>Note 29</b>		
<b>Cost of materials consumed</b>		
Opening stock	638.99	1,707.31
Add: Purchases	-	1,226.10
	<b>638.99</b>	<b>2,933.41</b>
Less: Closing stock	534.82	638.99
	<b>104.16</b>	<b>2,294.43</b>
<b>Note 30</b>		
<b>Purchase of stock-in-trade (Traded goods)</b>		
	1,28,709.33	4,56,656.14
	<b>1,28,709.33</b>	<b>4,56,656.14</b>
<b>Note 31</b>		
<b>Changes in inventories of stock-in-trade</b>		
Particulars		
Opening Inventory		
Stock in Trade	22,991.91	15,780.95
	<b>22,991.91</b>	<b>15,780.95</b>
Closing Inventory		
Stock in Trade	18,138.03	22,991.91
	<b>18,138.03</b>	<b>22,991.91</b>
Changes in inventory	<b>4,853.88</b>	<b>(7,210.97)</b>



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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

Particulars	(Amount in Thousands)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Note 32</b>		
<b>Employee benefit expense</b>		
Salaries, wages and bonus	10,578.32	11,172.35
Contributions to -		
"Provident fund "	144.91	142.08
Other funds	70.32	72.02
Staff welfare expenses	305.83	328.67
Provision for gratuity	25.28	132.71
	<b>11,124.67</b>	<b>11,847.82</b>
<b>Note 33</b>		
<b>Finance cost</b>		
Interest expenses	9,957.98	13,542.52
Other Borrowing cost	258.13	295.00
	<b>10,216.11</b>	<b>13,837.52</b>
<b>Note 34</b>		
<b>Other Expenses</b>		
Freight, Forward and transportation charges (net)	8,540.06	9,158.92
Godown Expenses	120.00	120.00
Electricity	526.53	499.02
Repairs and Maitenance :	1,958.34	1,750.84
Insurance	321.35	325.17
Rates and taxes (net of reversals)	2,262.08	1,596.97
Stock Exchange Listing fees	410.00	510.00
Travelling and conveyance	1,878.73	3,915.59
Legal and professional	2,485.83	3,386.35
Communication	315.82	344.87
Payment to auditor	125.00	125.00
Printing and stationary	202.82	265.19
Sales promotion	277.35	533.48
Advertisement	603.10	3,543.25
Commission	2,806.01	4,052.40
Postage and courier	54.49	52.65
Internet Expenses	145.00	145.00
Bank charges	199.39	110.42
Director Sitting Fees	345.00	395.00
Custom Duty	395.72	771.65
Books, Periodicals & Membership	531.23	371.95
Motor Vehicle Expenses	453.70	645.44
Designing & Development	55.55	25.00
Miscellaneous expenses	1,549.11	978.07
	<b>26,562.20</b>	<b>33,622.20</b>



**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Note 35 : Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	(Amount in Thousands)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>i. Profit attributable to equity holders</b>		
Profit attributable to equity holders of the parent for basic and diluted EPS	(2,619.69)	6,180.62
	<b>(2,619.69)</b>	<b>6,180.62</b>
<b>ii. Weighted average number of ordinary shares</b>		
Issued ordinary shares	6,71,50,000	6,71,50,000
Add/(Less): Effect of shares issued/ (bought back)		-
<b>Weighted average number of shares at March 31 for basic and diluted EPS</b>	<b>6,71,50,000</b>	<b>6,71,50,000</b>
<b>iii. Basic and diluted earnings per share (Rs)</b>	<b>(0.00)</b>	<b>0.00</b>

**Note 36 : Financial instruments – Fair values and risk management**

**(a) Financial Risk Management**

"The Company's business activities are exposed to financial risks, namely Credit risk, Liquidity risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities."

The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported the audit committee

**i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes, if require an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents

**(b) Financial assets and liabilities**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels as on 31st March 2020 are presented below .

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

(Amount in Thousands)

March 31, 2020	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial assets</b>									
Investments in subsidiaries		-	-	23,500.00	23,500.00	-	-	-	-
Other non-current financial assets		-	-	445.67	445.67	-	-	-	-
<b>Current Financial assets</b>					-				-
Trade receivables		-	-	69,785.05	69,785.05	-	-	-	-
Cash and cash equivalents		-	-	661.87	661.87	-	-	-	-
Other bank balances		-	-	2,660.30	2,660.30	-	-	-	-
Loans		-	-	225.00	225.00	-	-	-	-
		-	-	<b>97,277.89</b>	<b>97,277.89</b>	-	-	-	-
<b>Non-Current Financial liabilities</b>									
Borrowings		-	-	1,07,195.00	1,07,195.00	-	-	-	-
<b>Current Financial liabilities</b>					-				-
Borrowings		-	-	42,497.40	42,497.40	-	-	-	-
Trade payables		-	-	74,044.96	74,044.96	-	-	-	-
Other current financial liabilities		-	-	1,174.51	1,174.51	-	-	-	-
		-	-	<b>2,24,911.87</b>	<b>2,24,911.87</b>	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels as on 31st March 2019 are presented below .

(Amount in Thousands)

March 31, 2019	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial assets</b>									
Investments in subsidiaries		-	-	23,500.00	23,500.00	-	-	-	-
Other non-current financial assets		-	-	381.67	381.67	-	-	-	-
<b>Current Financial assets</b>									
Trade receivables		-	-	77,278.17	77,278.17	-	-	-	-
Cash and cash equivalents		-	-	205.53	205.53	-	-	-	-
Other bank balances		-	-	2,507.94	2,507.94	-	-	-	-
Loans		-	-	76.26	76.26	-	-	-	-
		-	-	<b>1,03,949.57</b>	<b>1,03,949.57</b>	-	-	-	-
<b>Non-Current Financial liabilities</b>									
Borrowings		-	-	92,359.16	92,359.16	-	-	-	-
<b>Current Financial liabilities</b>									
Other non-current financial liabilities		-	-	66,404.67	66,404.67	-	-	-	-
Trade payables		-	-	65,298.34	65,298.34	-	-	-	-
Other current financial liabilities		-	-	817.89	817.89	-	-	-	-
		-	-	<b>2,24,880.06</b>	<b>2,24,880.06</b>	-	-	-	-



**NOTES TO FINANCIAL STATEMENTS**

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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**Note 37 : Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
Non- Current borrowing	1,07,195.00	92,359.16
Current borrowings	42,497.40	66,404.67
Current maturity of long term debt	-	-
<b>Gross debt</b>	<b>1,49,692.40</b>	<b>1,58,763.83</b>
Less : Cash and cash equivalents	661.87	205.53
Less : Other bank balances	2,660.30	2,507.94
<b>Adjusted net debt</b>	<b>1,46,370.23</b>	<b>1,56,050.35</b>
Total Equity	18,13,734.15	18,16,353.84
<b>Adjusted Net debt to Equity ratio</b>	<b>0.08</b>	<b>0.09</b>

**Note 38. Related party Information**

**A. Names of the Related parties**

**Companies where directors exercising significant influence:**

Someshwara Industries & Exports Limited

Arjay Apparel Industries Limited

**Subsidiary**

Polo Queen Capital Ltd.

Polo Queen Solutions Ltd.

Polo Queen Pharma Trade Industry Limited

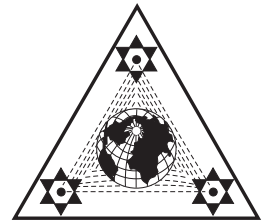
**Key management personnel and their relatives**

Name of Person	Type of Relation
Usha Sanghai	Relative of director
Nandlal Sanghai	Director
Rahul Sanghai	Director
Prabhas Sanghai	Director
Manjula Sanghai	Relative of director
Umesh Agarwal	Director
Aneeta Sanghai	Relative of director
Udit Sanghai	Director
Vasudha Sanghai	Relative of director

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**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

**B. The following transactions were carried out with the related parties in the ordinary course of business.**

(Amount in Thousands)

Nature of Transaction	Companies exercising significant influence		Subsidiaries		Key management personnel		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Rent Paid	180.00	180.00	0.00	0.00	0.00	0.00	180.00	180.00
Rent Received	60.00	0.00	0.00	0.00	0.00	0.00	60.00	0.00
Interest Paid	0.00	0.00	0.00	0.00	7405.31	6884.28	7405.31	6884.28
Interest Received	0.00	0.00	176.80	1230.08	0.00	0.00	176.80	1230.08
Loan Given	0.00	0.00	8832.06	39612.00	0.00	0.00	8832.06	39612.00
Loan Taken	0.00	0.00			118844.75	281104.80	118844.75	281104.80
Receipt of loan given	0.00	0.00	7438.86	39612.00	0.00	0.00	7438.86	39612.00
Repayment of loan taken	0.00	0.00	0.00	0.00	111414.22	277742.92	111414.22	277742.92
Remuneration to related party	0.00	0.00	0.00	0.00	3300.00	3300.00	3300.00	3300.00

Note : Above loan's taken by the director's of the company are belong to their own funds.

**Note : 39 Micro and small enterprise**

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
Amount due to vendor	4990.64	3615.44
Interest due and payable for the year	-	-
Interest accrue and remaining unpaid	-	56.16
<b>Total</b>	<b>4,990.64</b>	<b>3,671.60</b>

**Note 40 :** The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements

**Note 41 :** Management has received that their are no contingent liabilities that would require adjustments or disclosures in the financial statements as on the balance sheet date.

**Note 42 :** There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date

**Note 43 :** Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation

**As per our report of Even Date**

**For GUPTA RAJ & CO.**  
Chartered Accountants  
Firm Reg No : 001687N

CA NIKUL JALAN  
PARTNER  
Mem. No. 0112353

Place : Mumbai  
Date : June 26, 2020

**For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

NANDLAL SANGHAI  
DIRECTOR  
(DIN - 00181592)

PRABHAS SANGHAI  
DIRECTOR  
(DIN - 00302947)

RAHUL KUMAR SANGHAI  
DIRECTOR  
(DIN - 00181745)

UDIT P. SANGHAI  
WHOLE TIME DIRECTOR & CFO  
(DIN - 06725206)

VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)



From the house of



36<sup>th</sup> ANNUAL REPORT



**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020

**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

Information on Subsidiary Companies

**FORM AOC - 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

**Part "A": Subsidiaries**

(Amount in Thousands)

SN	Name of the Subsidiary	Polo Queen Solutions Limited	Polo Queen Pharma Trade Industry Limited	Polo Queen Capital Limited
1	Reporting Period for the Subsidiary concerned, if different from the holding Company's reporting period	March 31, 2020	March 31, 2020	March 31, 2020
2	The date since when the subsidiary was acquired	March 3, 2016	March 3, 2016	March 15, 2016
3	Reporting currency	INR	INR	INR
4	Share capital	500.00	500.00	22500.00
5	Reserves and surplus	79.80	(78.85)	(2255.67)
6	Total Assets	432.69	433.65	21873.97
7	Total Liabilities (excluding Share Capital and Reserves & Surplus)	12.50	12.50	1629.65
8	Investments	-	-	18466.52
9	Turnover	59.31	59.44	226.40
10	Profit before taxation	26.40	26.99	(772.34)
11	Provision for taxation	8.99	9.10	21.14
12	Profit after taxation	17.41	17.88	793.48
13	Proposed Dividend			
14	Extent of shareholding (in percentage)	100%	100%	100%

**Part B Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - Not Applicable

As per our report of Even Date

For GUPTA RAJ & CO.

Chartered Accountants

Firm Reg No : 001687N

CA NIKUL JALAN

PARTNER

Mem. No. 0112353

Place : Mumbai

Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
DIRECTOR  
(DIN - 00181592)

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WHOLE TIME DIRECTOR & CFO  
(DIN - 06725206)

VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)



## CONSOLIDATED AUDITOR'S REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

To The Members Of

**Polo Queen Industrial And Fintech Limited**

**Report on the Consolidated Ind AS Financial Statements**

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of POLO QUEEN INDUSTRIAL AND FINTECH LIMITED ("the Holding Company"), and its subsidiaries listed in Annexure I which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, of the state of affairs of the Company as at March 31, 2020, and consolidated profit, total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit

of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

We have determined that there are no key audit matters to communicate in our report.

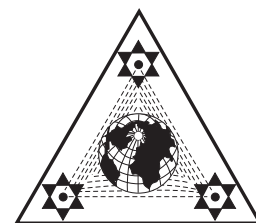
### Other Information

The Holding Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those charged with governance for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to



## CONSOLIDATED AUDITOR'S REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

the preparation and presentation of the consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

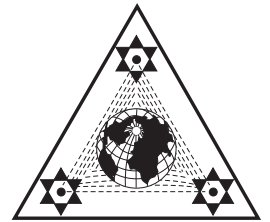
As part of an audit in accordance with SAs. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for

expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,



## CONSOLIDATED AUDITOR'S REPORT

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 227.40 Lakhs and net assets of Rs. 210.86 Lakhs as at 31st March 2020, and total revenues of Rs. 3.45 Lakhs for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR GUPTA RAJ & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM No. 001687N**

**CA NIKUL JALAN**  
**PARTNER**  
**MEMBERSHIP NO. 0112353**

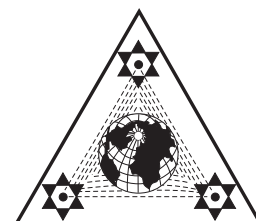
**Place : Mumbai**  
**Date : 26th June, 2020**  
**UDIN: 20112353AAAABI6991**



# ANNEXURE TO THE CONSOLIDATED AUDITORS' REPORT



36<sup>th</sup> ANNUAL REPORT



**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

## Annexure 1

### List of subsidiaries included in the consolidated financial result

S.No.	Particulars
1	Polo Queen Capital Ltd
2	Polo Queen Solutions Ltd
3	Polo Queen Pharma Trade Industry Limited

### "Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of POLO QUEEN INDUSTRIAL AND FINTECH LIMITED ("the Company") as of 31 March, 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial

information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

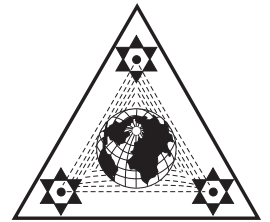
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



**ANNEXURE TO  
THE CONSOLIDATED  
AUDITORS' REPORT**



**36<sup>th</sup> ANNUAL REPORT**



**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the

possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. Our opinion is not modified in respect of this matter.

**Place : Mumbai  
Date : 26th June, 2020  
UDIN: 20112353AAAABI6991**

**FOR GUPTA RAJ & CO.  
CHARTERED ACCOUNTANTS  
FIRM No. 001687N**

**CA NIKUL JALAN  
PARTNER  
MEMBERSHIP NO. 0112353**

From the house of



36<sup>th</sup> ANNUAL REPORT



# CONSOLIDATED BALANCE SHEET

As at March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

(Amount in Thousands)

Particulars	Note No.	As At March 31, 2020 INR	As At March 31, 2019 INR
<b>I. ASSETS</b>			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	17,93,564.98	17,94,022.24
(b) Capital work-in-progress	3	1,21,150.80	1,08,449.61
(c) Intangible assets	4	746.08	888.17
(d) Financial Assets			
(i) Other Investments	5	18,466.53	22,055.67
(ii) Others	6	445.67	381.67
(e) Deferred tax assets (net)	7	676.26	694.48
(f) Other non-current assets	8	3,100.00	5,000.00
(g) Non-Current Tax Assets (Net)	9	3,569.44	3,552.55
<b>Total non current assets</b>		<b>19,41,719.76</b>	<b>19,35,044.69</b>
(2) Current Assets			
(a) Inventories	10	18,672.85	23,630.90
(b) Financial Assets			
(i) Trade receivables	11	69,785.05	77,278.17
(ii) Cash and cash equivalents	12	1,577.91	2,142.53
(iii) Bank balances other than (ii) above	13	2,660.30	2,507.94
(iv) Loans	14	225.00	76.26
(c) Other current assets	15	1,830.78	1,833.05
(d) Current Tax Assets (Net)	16	460.95	369.26
<b>Total current assets</b>		<b>95,212.85</b>	<b>1,07,838.12</b>
<b>TOTAL ASSETS</b>		<b>20,36,932.61</b>	<b>20,42,882.81</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity share capital	17	6,71,500.00	6,71,500.00
(b) Other equity	18	11,39,817.67	11,45,458.45
<b>Total equity</b>		<b>18,11,317.67</b>	<b>18,16,958.45</b>
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,07,195.00	92,359.16
(b) Provisions	20	464.20	438.92
(c) Other non-current liabilities	21	54.83	209.68
<b>Total non current liabilities</b>		<b>1,07,714.03</b>	<b>93,007.76</b>
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	42,497.40	66,404.67
(ii) Trade payables	23		
Dues of micro enterprise and small enterprise		4,990.64	3,671.60
Dues of creditor other than micro enterprise and small enterprise		69,138.98	61,626.74
(iii) Other financial Liabilities	24	1,174.51	909.94
(b) Other current liabilities	25	99.37	303.66
(c) Current Tax Liabilities	26	-	-
<b>Total Current liabilities</b>		<b>1,17,900.90</b>	<b>1,32,916.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,36,932.61</b>	<b>20,42,882.81</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes form an integral part of the financial statements

As per our report of Even Date

For GUPTA RAJ & CO.

Chartered Accountants

Firm Reg No : 001687N

CA NIKUL JALAN

PARTNER

Mem. No. 0112353

Place : Mumbai

Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
DIRECTOR  
(DIN - 00181592)

PRABHAS SANGHAI  
DIRECTOR  
(DIN - 00302947)

RAHUL KUMAR SANGHAI  
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UDIT P. SANGHAI  
WHOLE TIME DIRECTOR & CFO  
(DIN - 06725206)

VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)

**CONSOLIDATED  
STATEMENT OF  
PROFIT AND LOSS**

For the Year Ended March 31, 2020

From the house of



36<sup>th</sup> ANNUAL REPORT



**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

Particulars	Note No.	(Amount in Thousands)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue</b>			
I. Revenue from Operations (Gross)		-	-
Sales of products	27	1,73,360.60	5,17,219.49
Other Operating revenue		-	-
II. Other income	28	6,512.07	3,770.55
<b>III. Total Income (I+II)</b>		<b>1,79,872.67</b>	<b>5,20,990.04</b>
<b>IV. Expenses</b>			
Cost of materials consumed	29	104.16	2,294.43
Purchase of stock-in-trade (Traded goods)	30	1,28,709.33	4,56,656.14
Changes in inventories of stock-in-trade	31	4,853.88	(7,210.97)
Employee Benefits Expenses	32	11,124.67	11,847.82
Finance Cost	33	10,295.68	13,860.78
Depreciation and Amortization Expenses	2	883.06	1,106.37
Other Expenses	34	27,251.27	34,565.86
<b>Total Expenses (IV)</b>		<b>1,83,222.05</b>	<b>5,13,120.43</b>
<b>V. Profit/(loss) before Tax</b>		<b>(3,349.38)</b>	<b>7,869.61</b>
<b>VI. Tax expense:</b>			
1. Current Tax		10.27	2,333.90
2. Deferred Tax	6	18.21	(20.01)
3. Tax adjustment of Earlier year		-	(343.08)
<b>VII. Profit/(Loss) for the period</b>		<b>(3,377.87)</b>	<b>5,898.79</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of Investment at Fair market value		(2,262.91)	349.57
<b>IX. Total comprehensive income for the period</b>		<b>(5,640.78)</b>	<b>6,248.36</b>
<b>X. Earnings per equity share</b>			
Basic and diluted earnings per share	35	(0.00)	0.00
<b>Significant Accounting Policies</b>	1		

The accompanying notes form an integral part of the financial statements

As per our report of Even Date  
For GUPTA RAJ & CO.  
Chartered Accountants  
Firm Reg No : 001687N

CA NIKUL JALAN  
PARTNER  
Mem. No. 0112353

Place : Mumbai  
Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
DIRECTOR  
(DIN - 00181592)

PRABHAS SANGHAI  
DIRECTOR  
(DIN - 00302947)

RAHUL KUMAR SANGHAI  
DIRECTOR  
(DIN - 00181745)

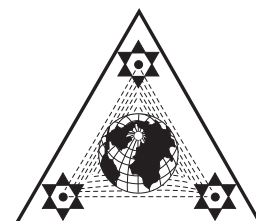
UDIT P. SANGHAI  
WHOLE TIME DIRECTOR & CFO  
(DIN - 06725206)

VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)

**CONSOLIDATED  
STATEMENT OF  
CHANGES IN EQUITY  
(SOCIE)**



36<sup>th</sup> ANNUAL REPORT



**POLO QUEEN INDUSTRIAL AND FINTECH LIMITED**

(a) Equity share capital	Note	(Amount in Thousands)
Balance as at April 1, 2018		6,71,500.00
Changes in equity share capital during 2018-19		-
Balance as at March 31, 2019		6,71,500.00
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2020</b>		<b>6,71,500.00</b>

**(b) Other equity**

Particulars	Note	Reserves & Surplus (Amount in Thousands)					Total
		Capital Reserve	General Reserve	Revaluation Reserve	Surplus	Other Comprehensive Income - Fair value of Investment	
<b>Balance at April 1, 2018</b>		8,54,590.96	21,539.84	2,34,286.52	29,459.44	(666.68)	11,39,210.09
Profit for the year		-	-	-	5,898.79	349.57	6,248.36
Other comprehensive income for the year		-	-	-	-	-	-
<b>Balance at March 31, 2019</b>		<b>8,54,590.96</b>	<b>21,539.84</b>	<b>2,34,286.52</b>	<b>35,358.23</b>	<b>(317.11)</b>	<b>11,45,458.45</b>
Profit for the year		-	-	-	(3,377.87)	(2,262.91)	(5,640.78)
Other comprehensive income for the year		-	-	-	-	-	-
<b>Balance at March 31, 2020</b>		<b>8,54,590.96</b>	<b>21,539.84</b>	<b>2,34,286.52</b>	<b>31,980.36</b>	<b>(2,580.02)</b>	<b>11,39,817.67</b>

As per our report of Even Date  
For GUPTA RAJ & CO.  
Chartered Accountants  
Firm Reg No : 001687N

CA NIKUL JALAN  
PARTNER  
Mem. No. 0112353

Place : Mumbai  
Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
DIRECTOR  
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VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)



## CASH FLOW STATEMENT

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Particulars	(Amount in Thousands)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	(3,349.38)	7,869.61
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation and amortisation expense	883.06	1,106.37
Profit on sale of Fixed Assets		-
Provision for expenses	25.28	132.71
Interest received	(1,223.76)	(3,339.82)
Sundry balance written off	(60.00)	132.02
Interest Paid	10,037.55	13,565.78
Other borrowing cost	258.13	295.00
Dividend received	(5,945.47)	(139.58)
Short term capital (gain) / loss	(31.62)	1,003.15
Long term capital (gain) / loss	870.43	(11.63)
<b>Operating profit before Working Capital Changes</b>	<b>1,464.21</b>	<b>20,613.60</b>
Changes in assets and liabilities		
(Increase) / Decrease in Inventory	4,958.05	(6,142.64)
(Increase) / Decrease in Trade receivables	7,553.12	58,251.59
(Increase) / Decrease in Short term Loans and advances	1,751.26	61.81
(Increase) / Decrease in Other financial assets	(152.36)	(143.77)
(Increase) / Decrease in Other current assets	2.27	167.01
(Increase) / Decrease in Short term Borrowings	(23,907.27)	24,214.12
Increase / (Decrease) in Trade payables	8,831.28	(38,359.17)
(Increase) / Decrease in Other financial liabilities	264.57	400.96
Increase / (Decrease) in Other Current liabilities	(204.29)	(342.14)
Increase / (Decrease) in Other liabilities	(154.85)	(440.32)
Increase / (Decrease) in Other Assets	(64.00)	32.39
<b>Cash Generated From Operations</b>	<b>342.00</b>	<b>58,314.43</b>
Income taxes paid	(118.85)	(3,368.18)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>223.14</b>	<b>54,946.25</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment towards Capital expenditure	(12,701.19)	(58,544.70)
Purchase / Sale of Investments (net)	-	(9,514.59)
Dividend received	5,945.47	139.58
Short term capital loss	31.62	(1,003.15)
Long term capital gain	(870.43)	11.63
FD proceeds	-	-
Purchase of fixed assets	(285.09)	(765.95)
Sale of fixed assets	1.38	-
Interest received	1,223.76	3,339.82
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(6,654.47)</b>	<b>(66,337.35)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(10,037.55)	(13,565.78)
Borrowing cost	(258.13)	(295.00)
Loan taken	14,835.84	15,246.16
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>4,540.16</b>	<b>1,385.38</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents		
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,891.16)</b>	<b>(10,005.72)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,142.54	12,148.25
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>251.37</b>	<b>2,142.54</b>

As per our report of Even Date

For GUPTA RAJ & CO.

Chartered Accountants

Firm Reg No : 001687N

CA NIKUL JALAN

PARTNER

Mem. No. 0112353

Place : Mumbai

Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
 DIRECTOR  
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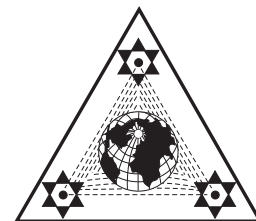
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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

36<sup>th</sup> ANNUAL REPORT



POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Accompanying notes to the financial statements for the year ended 31st March, 2020

**Company Overview:** The Company was incorporated under the Companies Act, 1956 on 19th July, 1984 under the name of POLO QUEEN INDUSTRIAL AND FINTECH LIMITED. The Company is domiciled in India and is listed on the BSE Ltd. (BSE), and Metropolitan Stock Exchange of India Ltd (MSEI). The Company's registered office is at 304, A to Z Industrial estate, Ganpat Rao Marg, Lower Parel, Mumbai, MH 400013. The Company along with its divisions viz Doan Rajkamal, Polo Queen Solutions, Polo Queen Minchems and Polo Queen Pharma is a company which has its activities spread over many businesses like production and marketing of FMCG products in the domestic market with supplies to defense sector, development of I.T. Park as well trading in chemicals and minerals.

### Note No. 1: SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of Preparation of financial statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### (ii) Basis of consolidation

The company consolidates all entities which are controlled by it.

The company establishes control when it has power over the entity or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's return by using its power over relevant activities of the entity

Entities controlled by the company are consolidated from the date control commences until the date control ceases

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation

#### (iii) Basis of Measurement

These Consolidated financial statements are prepared under the historical cost convention unless otherwise indicated

#### (iv) Key estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which component of the cost may be capitalized- Note 1(V).
- Impairment of Property, Plant and Equipment's- Note 2
- Recognition and measurement of defined benefit obligations- Note 1(xiii)
- Recognition of deferred tax assets- Note 1(xv)
- Fair value of financial instruments- Note 1(v)
- Provisions and Contingent Liabilities- Note 43

#### Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this, the operations in many of manufacturing, distribution centers, warehouses and extended supply chain partner locations got temporarily disrupted.

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

### (v) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is

measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

### (vi) Property plant and equipment (PPE).

PPE are initially recognized at cost except the assets of the transferor company acquired in the amalgamation which was recognized at book value by the company. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is provided on a pro-rata basis on Written Down value method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Estimated useful lives by major class of assets are as follows:

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

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POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Plant and Equipment – 5 years  
Motor Vehicles – 8 years  
Computers – 3 years  
Office Equipment – 5 years  
Furniture & Fixtures – 10 years  
Freehold land is not depreciated

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in financial statements.

The company had acquired land and building on lease basis, on which company paid the nominal amount of lease rent and the title asset belongs to the company so as a result Ind AS 116 'Leases' is not applied.

### (vii) Intangible Assets-

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Computer Software – 5 years  
Trademarks – 10 years

### (viii) Non – derivative Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability

### (ix) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage

### Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income

### Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognized by the Company are measured at the proceeds received net off direct issue cost.

### Offsetting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (x) Impairments of Non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

### (xi) Inventories:

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Net realisable value is the estimated selling price in the ordinary course of

business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (xii) Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflect the consideration which the company expects to receive in exchange for those products or services

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discount, price concessions and incentives, if any as specified in the contract with the customer. Revenue also excludes taxes collected from customers

Dividend income is recognized when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably.

### (xiii) Employee benefits

#### Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

#### Defined benefit plans

The Company also provides for retirement benefits in the form of gratuity, compensated absences and medical benefits including to the employees of group companies.

#### Post Employment Benefits

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

#### Terminal Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.





## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### (xiv) Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred

### (xv) Taxes on Income

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date

#### Deferred Tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting 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 income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority

### (xvi) Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

### (xvii) Earnings per share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the year presented.



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Notes to financial statements for the year ended March 31, 2020

### Note 2 : Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020:

DESCRIPTION	(Amount in Thousands)							
	Plant and Equipment	Motor Vehicle	Office Equipment	Furniture & Fixtures	Computers	Mahad MIDC Leasehold Land	IT Park - Leasehold Land & Building	TOTAL
Cost as at April 1, 2019	2,078.29	5,741.97	770.27	3,929.05	244.95	2,68,857.01	15,22,666.70	18,04,288.24
Additions	40.98	-	-	-	-	244.11	-	285.09
Deletions	1.38	-	-	-	-	-	-	1.38
<b>Cost as at March 31, 2020 (A)</b>	<b>2,117.89</b>	<b>5,741.97</b>	<b>770.27</b>	<b>3,929.05</b>	<b>244.95</b>	<b>2,69,101.12</b>	<b>15,22,666.70</b>	<b>18,04,571.94</b>
Accumulated depreciation as at April 1, 2019	1,692.05	4,432.00	520.34	3,390.84	230.77	-	-	10,266.00
Depreciation for the current period	129.08	397.21	109.28	103.52	1.88	-	-	740.97
Deletions	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2020 (B)</b>	<b>1,821.13</b>	<b>4,829.21</b>	<b>629.62</b>	<b>3,494.36</b>	<b>232.66</b>	<b>-</b>	<b>-</b>	<b>11,006.97</b>
<b>Net carrying amount as at March 31, 2020 (A) - (B)</b>	<b>296.76</b>	<b>912.76</b>	<b>140.65</b>	<b>434.69</b>	<b>12.30</b>	<b>2,69,101.12</b>	<b>15,22,666.70</b>	<b>17,93,564.98</b>

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019:

DESCRIPTION	(Amount in Thousands)							
	Plant and Equipment	Motor Vehicle	Office Equipment	Furniture & Fixtures	Computers	Mahad MIDC Leasehold Land	IT Park - Leasehold Land & Building	TOTAL
Cost as at April 1, 2018	1,826.35	5,741.97	656.77	3,929.05	244.95	2,68,857.01	15,22,666.70	18,03,922.79
Additions	251.95	-	113.50	-	-	-	-	365.45
Deletions	-	-	-	-	-	-	-	-
Transferred as per scheme of Arrangement	-	-	-	-	-	-	-	-
<b>Cost as at March 31, 2019 (A)</b>	<b>2,078.29</b>	<b>5,741.97</b>	<b>770.27</b>	<b>3,929.05</b>	<b>244.95</b>	<b>2,69,857.01</b>	<b>15,22,666.70</b>	<b>18,04,288.24</b>
Accumulated depreciation as at April 1, 2018	1,567.18	3,854.40	364.31	3,247.21	219.49	-	-	9,252.59
Depreciation for the year	124.87	577.60	156.03	143.64	11.28	-	-	1,013.42
Deletions	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2019 (B)</b>	<b>1,692.05</b>	<b>4,432.00</b>	<b>520.34</b>	<b>3,390.84</b>	<b>230.77</b>	<b>-</b>	<b>-</b>	<b>10,266.00</b>
<b>Net carrying amount as at March 31, 2019 (A) - (B)</b>	<b>386.25</b>	<b>1,309.97</b>	<b>249.92</b>	<b>538.21</b>	<b>14.18</b>	<b>2,69,857.01</b>	<b>15,22,666.70</b>	<b>17,94,022.24</b>

**Note:** (A) The management has reviewed the carrying values of the Property Plant and Equipment at the year end and it is concluded that nothing has been related to Impairment of Assets.

(B) Mahad MIDC & IT Park Land & Building is on lease basis with the lease rental of Rs. 1.00 and since the amount is Insignificant Ind AS 116 is not applied.

(C) The IT Park-Land & Building acquired in amalgamation was recorded at book value and there is no diminution in the value of said assets till the even date.

### Note 3 : Capital Work in progress

DESCRIPTION	(Amount in Thousands)		
	Mahad Land & Building	IT Park Land & Building	TOTAL
Cost as at April 1, 2018	39,862.84	10,042.07	49,904.91
Additions	56,510.80	2,033.90	58,544.70
Deletions	-	-	-
<b>Cost as at March 31, 2019</b>	<b>96,373.64</b>	<b>12,075.97</b>	<b>1,08,449.61</b>
Additions	11,175.77	1,525.42	12,701.19
Deletions	-	-	-
<b>Cost as at March 31, 2020</b>	<b>1,07,549.41</b>	<b>13,601.40</b>	<b>1,21,150.80</b>





## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Note 4

#### Intangibles Assets

Following are the changes in the carrying value of intangible assets for the year ended March 31, 2020

DESCRIPTION	(Amount in Thousands)		
	Trade Mark	Computer Software	TOTAL
Cost as at April 1, 2019	1068.50	564.20	1632.70
Additions	0.00	0.00	0.00
Deletions	0.00	0.00	0.00
<b>Cost as at March 31, 2020 (A)</b>	<b>1068.50</b>	<b>564.20</b>	<b>1632.70</b>
Accumulated amortisation as at April 1, 2019	560.40	184.13	744.53
Amortisation for the year	104.08	38.01	142.09
Deletions			0.00
<b>Accumulated amortisation and impairment as at March 31, 2020 (B)</b>	<b>664.49</b>	<b>222.14</b>	<b>886.62</b>
<b>Net carrying amount as at March 31, 2020 (A) - (B)</b>	<b>404.02</b>	<b>342.07</b>	<b>746.08</b>

Following are the changes in the carrying value of intangible assets for the year ended March 31, 2019

DESCRIPTION	(Amount in Thousands)		
	Trade Mark	Computer Software	TOTAL
Cost as at April 1, 2018	668.00	564.20	1232.20
Additions	400.50		400.50
Deletions	0.00	0.00	0.00
<b>Cost as at March 31, 2019(A)</b>	<b>1068.50</b>	<b>564.20</b>	<b>1632.70</b>
Accumulated amortisation as at April 1, 2018	509.68	141.90	651.57
Amortisation for the year	50.73	42.23	91.96
Deletions	0.00	0.00	0.00
<b>Accumulated depreciation and impairment as at March 31, 2019 (B)</b>	<b>560.40</b>	<b>184.13</b>	<b>744.53</b>
<b>Net carrying amount as at March 31, 2019 (A)- (B)</b>	<b>508.10</b>	<b>380.08</b>	<b>888.17</b>



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Note 5

#### Non-Current Investments

PARTICULARS	Face Value	As at March 31, 2020		As at March 31, 2019	
		Number	Value Amount in Thousands	Number	Value Amount in Thousands
<b>(1) Investment in Equity Instruments ( Fully paid up )</b>					
At Fair Value Through Othe Comprehensive Income					
(A) Quoted Investment					
Direct Equity investment					
HDFC Limited	2	265	432.77	265	521.59
Kotak Mahindra bank ltd	5	400	518.54	400	533.80
Sun Pharmaceutical Industries Limited	1	950	334.69	950	454.91
HDFC Asset Management Company Ltd	5	850	1795.88	850	1303.82
Tata Consumer Products Limited (Formerly Known as Tata Global Beverages Limited)	1	6,000	1769.10	6,000	1223.70
BASF India Ltd	10	750	843.94	750	1110.41
Investment through Portfolio manager					
Mutual Funds			-		-
Other Equity Investments ( Portfolio Investments)		-	12771.61	-	16907.75
		<b>9,215</b>	<b>18,466.53</b>	<b>9,215</b>	<b>22,055.97</b>

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 6</b>		
Other non-current Financial Assets		
Security Deposits*	445.67	381.67
	<b>445.67</b>	<b>381.67</b>
*These are security depostis given to various authorities for uncertain period		
<b>Note 7</b>		
Deferred Tax Assets		
(a) WDV As Per Companies Act ( excluding land )	2,543.34	3,386.70
(b) WDV As Per Income Tax Act	4,684.52	5,511.67
Difference	2,141.28	2,124.97
Deferred Tax Assets on above	556.73	552.49
Deferred Tax Asset on Merger (Sec 35DD) expenses	-	-
Preliminary Expenses	-	28.97
Deferred Tax Asset on Employee benefit expenses	119.53	113.02
Total Deferred Tax Asset (Closing)	676.26	694.48
Less: Opening Deffered Tax Liability	-	-
Less: Opening Deffered Tax Assets	694.48	674.47
Deferred tax assets recognised in P & L	<b>18.21</b>	<b>(20.01)</b>
<b>Note 8</b>		
Other non-current assets		
Advances to Other Parties	3,100.00	-
Advances to Related Party	-	5,000.00
	<b>3,100.00</b>	<b>5,000.00</b>



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note : 9</b>		
Non-Current Tax Assets (Net)		
Indirect taxes	3,017.85	3,350.50
Direct taxes	551.59	202.05
	<b>3,569.44</b>	<b>3,552.55</b>
<b>Note 10</b>		
Inventories		
Raw Material	534.82	638.99
Stock in Trade	18,138.03	22,991.91
	<b>18,672.85</b>	<b>23,630.90</b>
<b>Note 11</b>		
Trade and other receivables		
Trade Receivables		
Unsecured, considered good	69,785.05	77,278.17
	69,785.05	77,278.17
Less: Provision for doubtful debts	-	-
	<b>69,785.05</b>	<b>77,278.17</b>
<b>Note 12</b>		
Cash and cash equivalents		
Cash on hand	22.44	35.00
Balance with banks		
- Current accounts	1,555.47	2,107.53
	<b>1,577.91</b>	<b>2,142.53</b>
<b>Note 13</b>		
Other bank balances		
Fixed deposits due to mature within 12 months of reporting date (Including accrued interest)	2,660.30	2,507.94
	<b>2,660.30</b>	<b>2,507.94</b>
<b>Note 14</b>		
Current financial assets - Loans		
Loans receivables considered good, Unsecured		
Loans & advances to employees	225.00	76.26
	<b>225.00</b>	<b>76.26</b>
<b>Note 15</b>		
Other current assets		
Advance to Suppliers		
Unsecured, considered good	1,090.82	1,349.27
Prepaid Expenses	738.04	482.76
Dividend receivable	1.93	0.64
Sundry Advance	-	0.39
	<b>1,830.78</b>	<b>1,833.05</b>
<b>Note : 16</b>		
Current Tax Assets (Net)		
Income taxes	460.95	369.26
	<b>460.95</b>	<b>369.26</b>



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Note : 17

#### Share Capital

##### a. Details of authorised, issued and subscribed share capital

(Amount in Thousands)

Particulars	March 31, 2020	March 31, 2019
<b>Authorised Capital</b> 90,000,000 Equity shares of Rs 10 each	900,000.00	900,000.00
<b>Issued, Subscribed and fully Paid up</b> 67,150,000 Equity shares of Rs 10 each	671,500.00	671,500.00
	<b>671,500.00</b>	<b>671,500.00</b>

##### b. Reconciliation of number of shares at the beginning and at the end of the year

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Value (Amount in Thousands)	No. of Shares	Value (Amount in Thousands)
Shares outstanding at the beginning of the year	67,150,000	671,500.00	67,150,000	671,500.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>67,150,000</b>	<b>671,500.00</b>	<b>67,150,000</b>	<b>671,500.00</b>

##### c. Shareholders holding information

Shareholders holding more than 5% of shares in the company	March 31, 2020		March 31, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
Manjuladevi Sanghai	4180575	6.23%	4180575	6.23%
Divesh P Sanghai	4930700	7.34%	4930700	7.34%
Pan Emami Cosmed Limited	4100000	6.11%	4100000	6.11%
Rahul Kumar Sanghai	3632025	5.41%	3632025	5.41%
Vasudha Rahul Sanghai	5295500	7.89%	5295500	7.89%
Prabha Devi Sanghai	3382725	5.04%	3382725	5.04%
Viraj Prabhas Sanghai	4915150	7.32%	4915150	7.32%
Pritam Kumar Sanghai	4187800	6.24%	4187800	6.24%
Udit P Sanghai	4190250	6.24%	4190250	6.24%

d. The company has only one class of shares referred to as equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share.



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

### POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 18</b>		
Other Equity		
Capital Reserve	8,54,590.96	8,54,590.96
Revaluation reserve	2,34,286.52	2,34,286.52
General Reserve	21,539.84	21,539.84
Retained Earnings	31,980.36	35,358.23
Other Comprehensive income	(2,580.02)	(317.11)
	<b>11,39,817.67</b>	<b>11,45,458.45</b>
<b>Note 19</b>		
Non Current financial Liabilities - Borrowings		
Unsecured		
a) From related party	1,07,195.00	92,359.16
b) Other loans and advances		
i) From bank	-	-
ii) From Others	-	-
	<b>1,07,195.00</b>	<b>92,359.16</b>
<b>Note 20</b>		
Non Current financial Liabilities - Provisions		
Provision for employee benefits	464.20	438.92
	<b>464.20</b>	<b>438.92</b>
<b>Note 21</b>		
Other non-current financial liabilities		
Retention money	54.83	209.68
	<b>54.83</b>	<b>209.68</b>
<b>Note 22</b>		
Current Financial Liabilities - Borrowings		
Secured		
i) From Banks	42,497.40	66,404.67
ii) From others	-	-
	<b>42,497.40</b>	<b>66,404.67</b>
(i) Secured Loan From bank is raised against security of the assets which are as follows.		
(a) Term Loan - Secured against 1st Charge on the Property Secured at MIDC Mahad, Personal guarantee of the directors and Corporate guarantee of the company.		
(b) Cash Credit-Secured against Hypothecation of Stock & Debtors upto 90days.		
(c) Overdraft Against Govt supply bills: Hypothecations of receivables including supply bills receivables.		
(d) Letter of Credit: Documets under Letter of Credit and Goods under L/C.		
(e) Collateral Security: 1st charge on Block Assets of the company immovable and movable present and future also.		
(f) Negative Lien on the Property situated at MIDC Dombivli		
<b>Note 23</b>		
Trade Payable		
(a) Outstanding dues of Micro and Small Enterprise	4,990.64	3,671.60
(b) Others	69,138.98	61,626.74
	<b>74,129.62</b>	<b>65,298.34</b>
<b>Note 24</b>		
Current - Other financial liabilities		
Creditors for fixed assets		
Accrued expenses	1,174.51	909.94
Other deposit	-	-
	<b>1,174.51</b>	<b>909.94</b>



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

## POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 25</b>		
Other current liabilities		
Statutory dues payable	-	-
Advance from customers	-	117.49
Sundry advances	99.37	186.17
	<b>99.37</b>	<b>303.66</b>
<b>Note 26</b>		
Current Tax Liabilities		
Income tax Liabilities	-	-
Provision for expenses	-	-
	-	-
<b>Note 27</b>		
Revenue from Operations		
Sales of products	1,77,196.03	5,21,891.75
Less : Trade discount, Returns, Rebate etc.,	3,835.43	4,672.26
	<b>1,73,360.60</b>	<b>5,17,219.49</b>
<b>Note 28</b>		
Other Income		
Interest income on :		
- Deposits with banks	169.29	159.75
- Inter corporate loan	874.58	3,180.07
- Other	179.89	-
Net gain on sale of fixed assets	57.68	-
Claim Received	53.40	424.68
Sundry credit balances Written off	60.00	(132.02)
Rent received	10.57	990.00
Dividend received	5,945.47	139.58
Short Term Capital Gain	31.62	(1,003.15)
Long Term Capital Gain	(870.43)	11.63
Miscellaneous income	-	-
	<b>6,512.07</b>	<b>3,770.55</b>
<b>Note 29</b>		
Cost of materials consumed		
Opening stock	638.99	1,707.31
Add: Purchases	-	1,226.10
	638.99	2,933.41
Less: Closing stock	534.82	638.99
	<b>104.16</b>	<b>2,294.43</b>
<b>Note 30</b>		
Purchase of stock-in-trade (Traded goods)	1,28,709.33	4,56,656.14
	<b>1,28,709.33</b>	<b>4,56,656.14</b>
<b>Note 31</b>		
Changes in inventories of stock-in-trade		
Particulars		
Opening Inventory		
Stock in Trade	22,991.91	15,780.95
	<b>22,991.91</b>	<b>15,780.95</b>
Closing Inventory		
Stock in Trade	18,138.03	22,991.91
	<b>18,138.03</b>	<b>22,991.91</b>
Changes in inventory	<b>4,853.88</b>	<b>(7,210.97)</b>





## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

Particulars	(Amount in Thousands)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Note 32</b>		
Employee benefit expense		
Salaries, wages and bonus	10,578.32	11,172.35
Contributions to -		
"Provident fund"	144.91	142.08
Other funds	70.32	72.02
Staff welfare expenses	305.83	328.67
Provision for gratuity	25.28	132.71
	<b>11,124.67</b>	<b>11,847.82</b>
<b>Note 33</b>		
Finance cost		
Interest expenses	10,037.55	13,565.78
Other Borrowing cost	258.13	295.00
	<b>10,295.68</b>	<b>13,860.78</b>
<b>Note 34</b>		
Other Expenses		
Freight, Forward and transportation charges (net)	8,540.06	9,158.92
Godown Expenses	120.00	120.00
Electricity	526.53	499.02
Repairs and Maintenance :	1,964.34	1,753.84
Insurance	321.35	325.17
Rates and taxes (net of reversals)	2,316.12	1,651.04
Stock Exchange Listing fees	410.00	510.00
Travelling and conveyance	1,878.73	3,915.59
Legal and professional	2,509.33	3,430.85
Communication	315.82	344.87
Payment to auditor	191.00	191.00
Printing and stationary	204.19	265.19
Sales promotion	277.35	533.48
Advertisement	603.10	3,543.25
Commission	2,806.01	4,052.40
Postage and courier	54.49	52.65
Internet Expenses	145.00	145.00
Bank charges	199.79	113.16
Service Tax on Transportation	-	-
Director Sitting Fees	345.00	395.00
Custom Duty	395.72	771.65
Books, Periodicals & Membership	569.76	469.66
Motor Vehicle Expenses	453.70	645.64
Designing & Development	55.55	25.00
Portfolio management expenses	482.78	646.85
Miscellaneous expenses	1,565.57	1,006.62
	<b>27,251.27</b>	<b>34,565.86</b>



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Note 35 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	(Amount in Thousands)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>i. Profit attributable to equity holders (Rs in lakhs)</b>		
Profit attributable to equity holders of the parent for basic and diluted EPS	(3,377.87)	5,898.79
	<b>(3,377.87)</b>	<b>5,898.79</b>
<b>ii. Weighted average number of ordinary shares</b>		
Issued ordinary shares	6,71,50,000	6,71,50,000
Add/(Less): Effect of shares issued/ (bought back)		-
<b>Weighted average number of shares at March 31 for basic and diluted EPS</b>	<b>6,71,50,000</b>	<b>6,71,50,000</b>
<b>iii. Basic and diluted earnings per share (Rs)</b>	<b>(0.00)</b>	<b>0.00</b>

### Note 36 : Financial instruments – Fair values and risk management

#### a) Financial Risk Management

"The Company's business activities are exposed to financial risks, namely Credit risk, Liquidity risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities."

The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported the audit committee



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2019

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes, if require an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

### ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents

### (b) Financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels as on 31st March 2020 are presented below.

(Amount in Thousands)

March 31, 2019	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial assets</b>									
Investments		-	22,055.97	-	22,055.57	22,055.97	-	-	22,055.97
Other non-current financial assets		-	-	381.67	381.67	-	-	-	-
<b>Current Financial assets</b>					-				-
Trade receivables		-	-	77,278.17	77,278.17	-	-	-	-
Cash and cash equivalents		-	-	2,142.53	2,142.53	-	-	-	-
Other bank balances		-	-	2,507.94	2,507.94	-	-	-	-
Loans		-	-	76.26	76.26	-	-	-	-
		-	<b>22,055.97</b>	<b>82,386.58</b>	<b>1,04,442.55</b>	<b>22,055.97</b>	-	-	<b>22,055.97</b>
<b>Non-Current Financial liabilities</b>									
Borrowings		-	-	92,359.16	92,359.16	-	-	-	-
<b>Current Financial liabilities</b>					-				-
Borrowings		-	-	66,404.67	66,404.67	-	-	-	-
Trade payables		-	-	65,298.34	65,298.34	-	-	-	-
Other current financial liabilities		-	-	909.94	909.94	-	-	-	-
		-	-	<b>2,24,972.11</b>	<b>2,24,972.11</b>	-	-	-	-



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels as on March, 31 2019 are presented below.

(Amount in Thousands)

March 31, 2020	Carrying amount				Fair value				
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial assets</b>									
Investments		-	22,055.97	-	22,055.97	22,055.97	-		22,055.97
Other non-current financial assets		-	-	381.67	381.67	-			
Current Financial assets					-				
Trade receivables		-	-	77,278.17	77,278.17	-			
Cash and cash equivalents		-	-	2,142.53	2,142.53	-			
Other bank balances		-	-	2,507.94	2,507.94	-			
Loans		-	-	76.26	76.26	-			
		-	<b>22,055.97</b>	<b>82,386.58</b>	<b>1,04,442.55</b>	<b>22,055.97</b>	-	-	<b>22,055.97</b>
<b>Non-Current Financial liabilities</b>									
Borrowings		-	-	92,359.16	92,359.16	-	-	-	-
<b>Current Financial liabilities</b>					-				
Other non-current financial liabilities		-	-	66,404.67	66,404.67	-	-	-	-
Trade payables		-	-	65,298.34	65,298.34	-	-	-	-
Other current financial liabilities		-	-	909.94	909.94	-	-	-	-
		-	-	<b>2,24,972.11</b>	<b>2,24,972.11</b>	-	-	-	-

### Note 37: Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

Particulars	(Amount in Thousands)	
	As at March 31, 2020	As at March 31, 2019
Non- Current borrowing	1,07,195.00	92,359.16
Current borrowings	42,497.40	66,404.67
Current maturity of long term debt	-	-
Gross debt	1,49,692.40	1,58,763.83
Less : Cash and cash equivalents	1,577.91	2,142.53
Less : Other bank balances	2,660.30	2,507.94
Adjusted net debt	1,45,454.19	1,54,113.35
Total Equity	18,11,317.67	18,16,958.45
Adjusted Net debt to Equity ratio	0.08	0.08



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Note 38 : Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest

Name of the entity	Country of Incorporation	% of voting power as at March 31, 2020	% of voting power as at March 31, 2019	Net Assets i.e. total assets		Share in profit or loss		Share in other		Share in total	
				As % of consolidated net assets	Amount in Thousands	As % of consolidated profit or loss	Amount in Thousands	As % of consolidated other comprehensive income	Amount in Thousands	As % of consolidated other comprehensive income	Amount in Thousands
Polo Queen Industrial & fintech Limited	India			98.85	1,813,734.15	(77.58)	(2,620.69)	-	46.46	(2,620.69)	
<b>Subsidiaris</b>				0							
Polo Queen Capital Ltd	India	100.00	100.00	1.10	20,244.32	(23.49)	(793.48)	(2,262.91)	54.18	(3,056.39)	
Polo Queen Solutions Ltd	India	100.00	100.00	0.02	420.19	0.52	17.42	-	(0.31)	17.42	
Polo Queen Pharma Trade Industry Limited	India	100.00	100.00	0.02	421.44	0.53	17.88	-	(0.32)	17.88	
<b>Total</b>		-	-	<b>100</b>	<b>1,834,820.10</b>	<b>(100)</b>	<b>(3,377.87)</b>	<b>(2,262.91)</b>	<b>100</b>	<b>(5,640.78)</b>	
Adjustment arising out of consolidation					(23,502.00)		-				
<b>Total</b>					<b>1,811,318.10</b>		<b>(3,377.87)</b>	<b>(2,262.91)</b>		<b>(5,640.78)</b>	



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

**Note 39 : Consolidated segment wise revenue, results, assets and liabilities for the financial year ended March 31, 2020**

Sr. No.	Particulars	(Amount in Thousands)	
		Year Ended 31.03.2020 (Audited)	Year Ended 31.03.2019 (Audited)
1	Segment Revenue		
	i. Trading	1,79,646.27	5,18,662.04
	ii. Non Banking Financial Business	226.40	2,328.00
	iii. Pharma	0.00	0.00
	iv. IT/ITES	0.00	0.00
	<b>Total Segment Revenue</b>	<b>1,79,872.68</b>	<b>5,20,990.04</b>
2	Segment results Profit/(loss) before finance costs and tax from each Segment		
	i. Trading	7,410.19	21,575.68
	ii. Non Banking Financial Business	(397.00)	118.70
	iii. Pharma	(34.00)	18.00
	iv. IT/ITES	(32.90)	18.00
	<b>Total Profit/(Loss) before Finance Cost &amp; Tax</b>	<b>6,946.29</b>	<b>21,730.38</b>
	Less: Finance Cost	10,295.68	13,860.78
	<b>Total Profit/(Loss) before Tax</b>	<b>(3,349.38)</b>	<b>7,869.61</b>
3	Segment Assets		
	i. Trading	20,14,192.28	20,18,686.49
	ii. Non Banking Financial Business	21,873.97	24,163.49
	iii. Pharma	433.65	17.00
	iv. IT/ITES	432.70	16.00
	<b>Total Assets</b>	<b>20,36,932.61</b>	<b>20,42,882.82</b>
4	Segment Liabilities		
	i. Trading	2,25,530.27	2,25,832.31
	ii. Non Banking Financial Business	59.65	62.54
	iii. Pharma	12.51	14.75
	iv. IT/ITES	12.51	14.75
	<b>Total Liabilities</b>	<b>2,25,614.93</b>	<b>2,25,924.36</b>
5	Capital Employed		
	i. Trading	17,88,662.01	17,92,854.18
	ii. Non Banking Financial Business	21,814.32	24,100.95
	iii. Pharma	421.14	2.25
	iv. IT/ITES	420.19	1.25
	<b>Total Capital Employed</b>	<b>18,11,317.67</b>	<b>18,16,958.63</b>
	<b>Total Equity &amp; Liabilities</b>	<b>20,36,932.61</b>	<b>20,42,882.82</b>





## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Note 40 : Information on Subsidiaries

The subsidiary Companies considered in the Consolidated Financial Statements are :

Name of Company	Percentage of holding	
	As at March 31, 2020	As at March 31, 2019
Polo Queen Capital Ltd	100%	100%
Polo Queen Solutions Ltd	100%	100%
Polo Queen Pharma Trade Industry Limited	100%	100%

### Note 41. Related party Information

#### A. Names of the Related parties

##### Companies where directors exercising significant influence:

Someshwara Industries & Exports Limited  
 Arjay Apparel Industries Limited

##### Subsidiary

Polo Queen Capital Ltd  
 Polo Queen Solutions Ltd  
 Polo Queen Pharma Trade Industry Limited

#### Key management personnel and their relatives

Name of Person	Type of Relation
Usha Sanghai	Relative of director
Nandlal Sanghai	Director
Rahul Sanghai	Director
Prabhas Sanghai	Director
Manjula Sanghai	Relative of director
Umesh Agarwal	Director
Aneeta Sanghai	Relative of director
Udit Sanghai	Director
Vasudha Sanghai	Relative of director

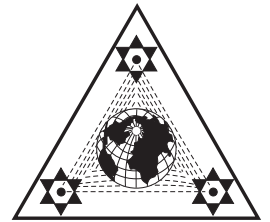
#### B. The following transactions were carried out with the related parties in the ordinary course of business.

(Amount in Thousands)

Nature of Transaction	Companies exercising significant influence		Subsidiary		Key management personnel		Total	
	(i)		(ii)		(iv)		2020	2019
	2020	2019	2020	2019	2020	2019		
Rent Paid	180.00	180.00	-	-	-	-	180.00	180.00
Rent Received	60.00	0.00	0.00	0.00	0.00	0.00	60.00	0.00
Interest Paid	-	-	-	-	6884.28	6884.28	6,884.28	6,884.28
Interest Received	-	-	1230.08	1230.08	-	-	1,230.08	1,230.08
Loan Given	-	-	39612.00	39612.00	-	-	39,612.00	39,612.00
Loan Taken	-	-	-	-	281104.80	281104.80	2,81,104.80	2,81,104.80
Receipt of loan given	-	-	39612.00	39612.00	-	-	39,612.00	39,612.00
Repayment of loan taken	-	-	-	-	277742.92	277742.92	2,77,742.92	2,77,742.92
Remuneration to related party	-	-	-	-	3300.00	3300.00	3,300.00	3,300.00



36<sup>th</sup> ANNUAL REPORT



## NOTES TO ACCOUNTS

For the Year Ended March 31, 2020

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

### Note 42 : Micro and small enterprise

(Amount in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount due to vendor	4990.64	3615.44
Interest due and payable for the year	-	-
Interest accrue and remaining unpaid	-	56.16
<b>Total</b>	<b>4,990.64</b>	<b>3,671.60</b>

**Note 43 :** There are no contingent liabilities that would require adjustments or disclosures in the financial statements as on the balance sheet date

**Note 44 :** There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date

**Note 45 :** Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation

As per our report of Even Date  
For GUPTA RAJ & CO.  
Chartered Accountants  
Firm Reg No : 001687N

CA NIKUL JALAN  
PARTNER  
Mem. No. 0112353

Place : Mumbai  
Date : June 26, 2020

For POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

NANDLAL SANGHAI  
DIRECTOR  
(DIN - 00181592)

PRABHAS SANGHAI  
DIRECTOR  
(DIN - 00302947)

RAHUL KUMAR SANGHAI  
DIRECTOR  
(DIN - 00181745)

UDIT P. SANGHAI  
WHOLE TIME DIRECTOR & CFO  
(DIN - 06725206)

VANDANA YADAV  
COMPANY SECRETARY  
(MEM NO - A40717)