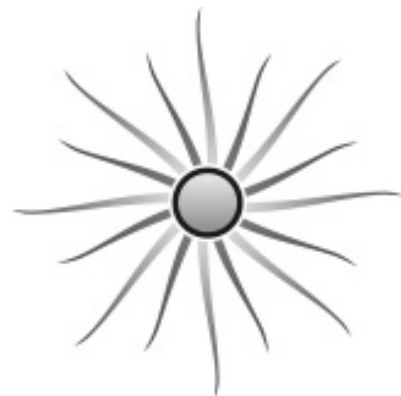


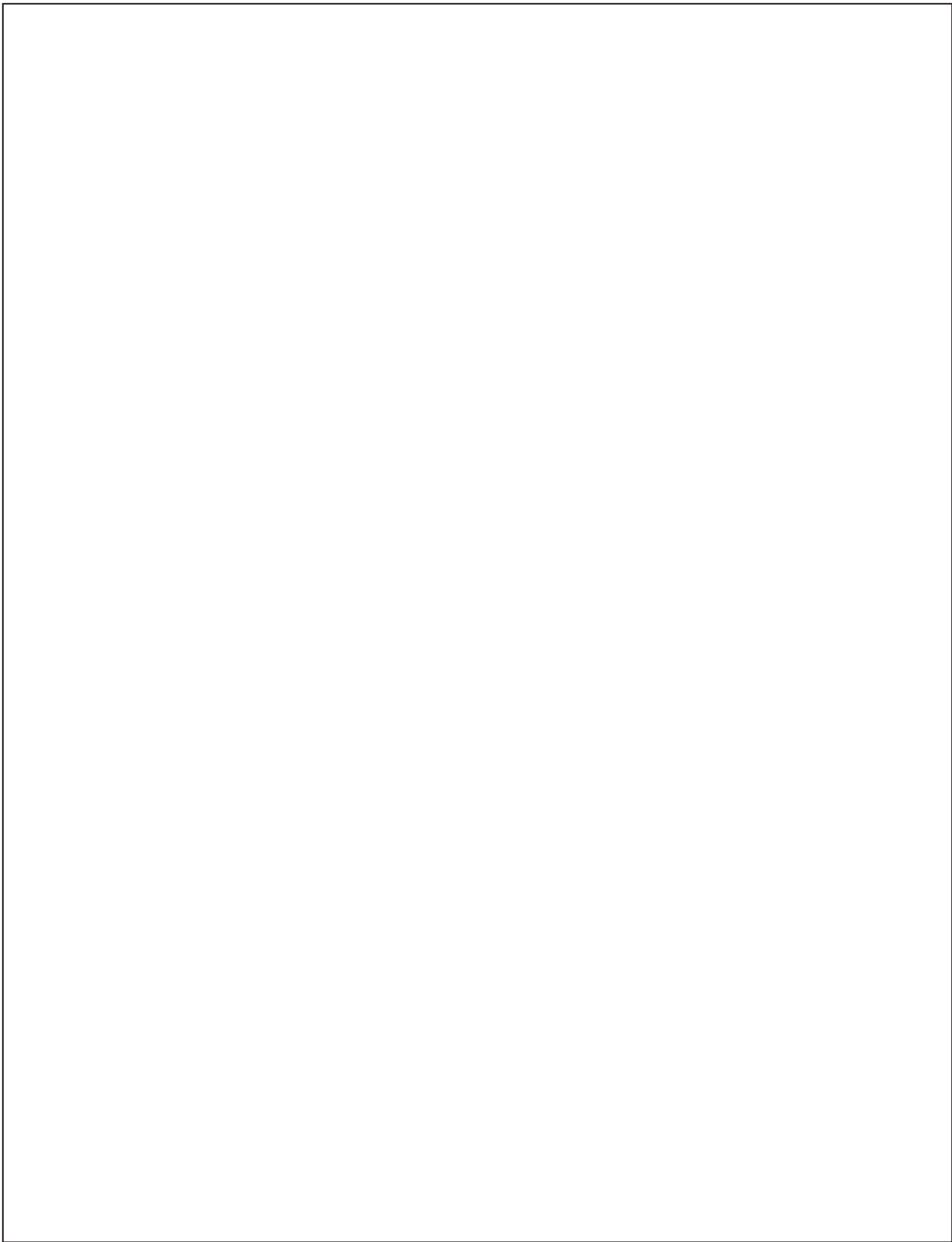


**CHL LIMITED**

**ANNUAL REPORT  
2011 - 2012**



THE  
**SURYAA**  
NEW DELHI





## CHL LIMITED

### 33rd Annual General Meeting

Date : 25th September, 2012  
Day : Tuesday  
Time : 12.00 Noon  
Place : Hotel The Suryaa  
Community Centre  
New Friends Colony  
New Delhi-110 025

### BOARD OF DIRECTORS

Dr. L. K. Malhotra - Chairman & Managing Director  
Mr. D. V. Malhotra  
Mr. O. P. Bajaj  
Mr. A. K. Malhotra  
Mr. Gagan Malhotra - Whole Time Director  
Mr. Subhash Ghai  
Mr. Luv Malhotra - Executive Director  
Mr. R. C. Sharma  
Mr. Lalit Bhasin

### Company Secretary

Mr. G. J. Varadarajan  
E-mail : cs@chl.co.in

### Vice-President Finance & CFO

Mr. N.K. Goel  
Email: nkgoel@chl.co.in

### Statutory Auditors

G. Rai & Co.  
Chartered Accountants  
29A/1, Asaf Ali Road,  
New Delhi-110 002.  
Email: graico@airtelmail.in

### Internal Auditor

L.N. Malik & Co.  
Chartered Accountants  
Ganga Plaza  
18/13, W.E.A., Karol Bagh,  
New Delhi-110 005.  
Email: allenmalik@hotmail.com

### Bankers

Hongkong & Shanghai Banking Corporation Ltd.  
Andhra Bank  
HDFC Bank Ltd.

### Registrar and Share Transfer Agent

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3<sup>rd</sup> Floor,  
99, Madangir  
Behind Local Shopping Centre.  
New Delhi 110 062  
Phone : 29961281-83 Fax : 29961284  
E mail : beetalrta@gmail.com

### Regd. Office

Hotel The Suryaa  
Community Centre  
New Friends Colony  
New Delhi-110 025  
Phone : 91-11-2683 5070, 4780 8080  
Fax : 91-11-2683 6288, 4780 8081  
E-mail : chl@chl.co.in  
<http://www.chl.co.in>

INDEX	PAGE NO.
<b>CHL Limited</b>	
Notice	2
Directors' Report	4
Corporate Governance	9
Auditors' Report	24
Balance Sheet	27
Profit & Loss Account	28
Cash Flow Statement	29
Notes	30
<b>Consolidation</b>	
Auditors' Report	44
Balance Sheet	45
Profit & Loss Accounts	46
Cash Flow Statement	47
Notes	48



## NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the members of CHL Limited will be held on **Tuesday, the 25th day of September, 2012 at 12.00 Noon** at the Registered Office of the Company at Hotel The Surya, New Friends Colony, New Delhi 110 025 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare Dividend for the Financial Year ended on 31/03/2012.
3. To appoint a Director in place of Mr. Subhash Ghai who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. V. Malhotra who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

### SPECIAL BUSINESS

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

Resolved that in accordance with the provisions of Section 257 and other applicable provisions of the Companies Act, 1956 Mr. Lalit Bhasin who was appointed as Director in the casual vacancy caused due to demise of Shri. H. C. Bhasin and who holds the office up to the date of this Annual General Meeting as per the provisions of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director as per the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company and is liable to retire by rotation.

**By Order of the Board**

**Place : New Delhi  
Date : 9th August, 2012**

**G.J. Varadarajan  
Company Secretary**

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the company. Proxy Forms must reach the Company's Registered Office at least 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2012 to 25th September, 2012 (both days inclusive).
3. Members whose name appears as on 14th September, 2012 in the Register of Members after giving effect to all valid share transfers which are lodged with the Registrar and Share Transfer Agent before 15th September, 2012, and as Beneficial Owner at the end of the Business hours on 14th September, 2012 as per the list to be furnished by NSDL/CDSL in respect of shares held in Electronic Form, are entitled for Final Dividend.
4. Members are requested to forward their Change of Address, PAN detail, Bank Account details including 9 digit MICR number appearing on the cheque pertaining to the respective bank account to facilitate distribution of dividend through Electronic Clearing Service (ECS) to the Company/Company's Share Transfer Agents M/s Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 99, Madangir, Behind Local Shopping Centre, New Delhi 110062.
5. As per the provisions of the Companies Act 1956, Dividends declared for the financial year 2005-06 (Interim and Final Dividend), 2006-07 (Interim and Final Dividend), 2007-08 (Interim and Final Dividend,) 2008-09 (Interim and Final Dividend),



## CHL LIMITED

2009-10 (Interim and Final Dividend), 2010-11 (Interim and Final Dividend) and 2011-12 (Interim) which remain unpaid or unclaimed for a period of 7 years in the Unpaid Dividend Account for the respective financial year of the Company is to be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their Dividend Warrants pertaining to the aforesaid years may approach the Company Secretary of the company at the Registered Office of the Company for revalidation of Dividend Warrants already dispatched/issue of Demand Draft in lieu of that.

6. Dividend pertaining to the year ended on 31.03.2005 is being transferred to Investors Education and Protection Fund in the First Week of September, 2012. As such it will not be possible to entertain dividend claim after August, 2012.
7. Members wishing to seek further information on the Accounts or the Operations of the Company at the meeting are requested to send their queries at least a week in advance of the date of the meeting to the Company Secretary.
8. Members are requested to register their e-mail addresses with the Company for Report and Annual Accounts, Notices etc in electronic mode as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India.
9. Member wishing to obtain the information about the Company or view the Accounts of the Company for the Financial Year ended 31.03.2012 may visit the Company's website [www.chl.co.in](http://www.chl.co.in).
10. Shareholders may bring their copies of the Annual Report to the Meeting.
11. Members/Proxies should fill in the Attendance Slip for attending the meeting.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

#### **Items No. 6.**

Mr. Lalit Bhasin was appointed as a Director of the Company in Casual Vacancy arisen due to death of Shri H. C. Bhasin. He holds office of directorship till the conclusion of this Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, it is proposed to appoint him as a Director of the Company.

He has vast experience in Stock Market, Investment, Banking and Real Estate etc for more than two decades. He is the Promoter Chairman of HB Group of Companies. The need of his services are felt by the organization for the achievement of the goals in the years to come.

No other Directors except Mr. Lalit Bhasin is interested in the resolution.

The Board recommends this resolution for your approval.

**By Order of the Board**

**G.J. Varadarajan  
Company Secretary**

**Place : New Delhi  
Date : 9th August, 2012**



## DIRECTORS' REPORT

### TO THE MEMBERS OF CHL LIMITED

Your Directors are pleased to present their 33rd Annual Report together with the Audited Accounts for the year ended 31st March 2012.

#### 1. FINANCIAL RESULTS AND OPERATIONAL PERFORMANCE

Particulars	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)
<b>Total Income</b>		
Sales	6,238.55	6,561.03
Other Income	<u>424.26</u>	<u>374.93</u>
<b>Less: Total Expenses</b>	<b>4,906.15</b>	<b>4,846.03</b>
(Inclusive of exceptional items)		
<b>Gross Profit before Interest, Depreciation and Tax</b>	<b>1,756.66</b>	<b>2,089.93</b>
Less : Financial Charges	485.80	436.35
Depreciation	<u>485.13</u>	<u>431.26</u>
	<b>970.93</b>	<b>867.61</b>
<b>Profit Before Tax</b>	<b>785.73</b>	<b>1,222.32</b>
Less: Provision for Tax	<u>329.60</u>	<u>338.48</u>
<b>Net Profit after Tax</b>	<b>456.13</b>	<b>883.83</b>
Add : Profit brought forward from last year	<u>4,251.67</u>	<u>3,881.38</u>
<b>Profit available for appropriation</b>	<b>4,707.80</b>	<b>4,765.21</b>
<b>APPROPRIATIONS</b>		
<b>Transferred to General Reserves</b>	<b>80.00</b>	<b>130.00</b>
<b>Proposed Dividend on equity shares including interim dividend</b>	<b>219.28</b>	<b>328.91</b>
Tax on Dividend	<u>35.57</u>	<u>54.63</u>
<b>Balance carried to Balance Sheet</b>	<b>4,372.95</b>	<b>4,251.67</b>

Sales and other incomes for the year under review at Rs. 6,662.81 lacs is lower than that of the previous year's sales and other incomes at Rs. 6,935.96 lacs by 3.93%.

Operating profit before depreciation finance charges and tax at Rs. 1,756.66 lacs for the year under review as compared to Rs. 2,089.93 lacs for the previous year, is lower by 15.95 %.

Net Profit after providing tax for the year under review is to Rs. 456.13 lacs as compared to Rs. 883.83 lacs for the previous year, thus lower by 48.39% over the previous year.

#### 2. BUSINESS REVIEW

The success story of the 'Hotel Industry in India' seconds only to China in Asia-Pacific. India is witnessing an unpredictable growth in hotel construction and will be adding almost 1,14,000 hotel guest rooms to its inventory over the next five years. Hotel industry in India is supporting a large number of population. From labour class to working professionals, the tourist sector provides employment over 50 million people in India and it is the single largest employment generator. The Federation of Hotel and Restaurant Association of India (FHRAI) has sought support from the government in the 12th year plan for the development of the tourism sector including budgetary allocation aiming to increase the foreign flow for this sector.



While reviewing operating performance of the hotel industries it was analyzed that hotel industry in India is recovering from the blows it suffered in the year 2008 first due to financial meltdown in America in September and later due to terrorists attack at Mumbai. The foreign tourist flow in India is substantially reduced by 18-20% during these periods. The onset of the global economic slowdown still has a greater impact on the profitability of the sector determined by occupancy rate. The local competition has also increased due to number of hotels coming up in and around Delhi which adversely affect the occupancy rate and profitability of the company.

**3. DIVIDEND**

The Board has already declared an interim dividend @ Rs. 1.00 per equity share in the Board Meeting held on 10.02.2012 for the financial year ended 31.03.2012.

The Board further recommended a Final Dividend @ Rs. 1.00 per equity share in respect of the Financial Year under review.

The Final Dividend, together with the Interim Dividend, will make the total dividend @ Rs. 2.00 (20%) per share in respect of the Financial Year. As per the provisions of the Income Tax Act 1961, the tax on Dividend will be borne by the Company.

The overall distribution of Dividend for the year under review will be Rs 254.85 lacs including Corporate Dividend Tax.

**4. DIRECTORS**

Mr. Subhash Ghai and Mr. D. V. Malhotra, Directors of the Company are due to retire by rotation at the forthcoming Annual General Meeting and they, being eligible, offer themselves for re-appointment.

Mr. Lalit Bhasin was appointed as a Director of the Company in Casual Vacancy arisen due to demise of Shri H. C. Bhasin. He will vacate office at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, it is proposed to appoint him as a director of the company with effect from the date of the ensuing Annual General Meeting of your company. Your Board recommends for the approval of members the appointment of Mr. Lalit Bhasin as a Director of the Company.

**5. MANAGEMENT DISCUSSION AND ANALYSIS**

As required by Clause 49 of the Listing Agreement with the Stock Exchange(s), Management Discussion and Analysis is annexed to the Annual Report.

**6. SUBSIDIARY COMPANY**

As you are aware, CHL International, a Joint Venture Company at Tajikistan, is constructing a hotel at Dushanbe at Tajikistan. The CHL International has entered into an agreement with Starwood, Sheraton brand for marketing, management and operation of the hotel.

The hotel is at the advance stage of completion and interior fitout works and procurement of hotel operating system are in full swing.

The statement as required under Section 212 of the Companies Act, 1956 in respect of the subsidiary company is annexed and forms an integral part of the Annual Report.

In terms of circular No. 2/2011 dated 08th February 2011, issued by Ministry of Corporate Affairs, Government of India, the Board of Directors has, at the meeting held on 23.07.2011, passed a resolution giving consent for not attaching the Balance Sheet, Statement of Profit and Loss and other Documents of the subsidiary company.

**7. CONSOLIDATION OF FINANCIAL STATEMENT**

The duly audited consolidated financial statement as required under the Accounting Standard 21 and provisions of Clause 32 of the Listing Agreement has been prepared after considering the audited financial statement of your Company and its subsidiary.

The Annual Accounts of the Subsidiary companies and the detailed information shall be made available to the shareholders seeking any information relating to consolidated accounts at any point of time. The annual accounts of the subsidiary shall be kept for inspection by shareholders in the head office of the holding company and the subsidiary company.

The summarized position of the Subsidiary has been appended to the report.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act 1956, the Directors confirm as under:

- (i) That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The accounting policies have been applied consistently, judgments and estimates made are responsible and prudent so as to give a true and fair view of the State of Affairs of the Company as at the end of the accounting year and of the profit of the Company for that period.
- (iii) That proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been made.
- (iv) That the Annual Accounts have been prepared on a going concern basis.

## **9. CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance together with Practicing Company Secretary's certificate is annexed to the Annual Report.

## **10. INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES RULES 1975, AS AMENDED) EMPLOYED THROUGHOUT THE YEAR/PART OF THE YEAR**

There are no employees of the Company drawing remuneration above the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules 1975.

## **11. SECRETARIAL AUDIT**

As directed by Security and Exchange Board of India (SEBI), Secretarial Audit is being carried out by Practicing Company Secretary. The finding of the Secretarial Audit have been satisfactory.

## **12. AUDITORS' REPORT**

As regards Auditors' observations, the notes on accounts are self-explanatory and do not call for any further clarification.

## **13. AUDITORS**

### **Statutory Auditors**

M/s G Rai & Co. Chartered Accountants, Auditors of the Company, retire at the close of the Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from the firm that the appointment will be within the limits prescribed under section 224(1)(B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their appointment. The necessary resolution is being placed before the shareholder for their approval.

### **Internal Auditors**

M/s L.N. Malik & Co. Chartered Accountants have been conducting periodic internal audit of all operations of the Company. Internal Audit Reports are being laid down before the Audit Committee for their review and for recommendation to the Board.

## **14. AUDITORS OF SUBSIDIARY COMPANY**

M/s G. Rai & Co. Chartered Accountants, has resigned from the Auditorship of the Subsidiary Company and M/s L. N. Malik & Co. Chartered Accountants, has been appointed as auditors of the Subsidiary Company in their place for the financial year 2012-2013.

## **15. FIXED DEPOSITS**

The Company has not accepted deposits within the meaning of Company's (Acceptance of Deposits) Rules 1975 from public during the year. There is no unpaid or unclaimed deposits lying with the Company.





## CHL LIMITED

### 16. PARTICULARS AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988

#### Conservation of Energy

Efforts on energy conservation are being pursued continuously. Regular repairs and maintenance of all equipment/materials are carried out to ensure optimum efficiency. To give thrust on energy conservation, "optimum utilization of natural light", is focused on and energy saving lights and devices are fitted in wherever necessary and feasible. Your Company, being engaged in the Hotel business, details as per Form 'A' are not applicable.

#### Technology Absorption

The Company being in the hospitality industry, particulars on technological absorption or expenditure on research and development are not applicable.

#### Foreign Exchange Earnings and Outgo

During the year under review, your Company earned Foreign Exchange equivalent to Rs 1600.17 lacs (previous year Rs. 2088.42.lacs ) and used foreign exchange to the extent of Rs. 139.22 lacs (previous year Rs. 348.24 lacs).

### 17. ACKNOWLEDGEMENTS

Your Directors wish to thank Central and State Governments, especially Department of Tourism, Company's Bankers, customers, suppliers for the valuable cooperation and support.

The Board of Directors also expresses their sincere thanks to the shareholders for the support and the confidence reposed in the Company.

The Board takes this opportunity to thank all employees of the Company at all levels for their commitment and dedication.

Your Directors look forward to the bright future.

For and on behalf of the Board

Place : New Delhi  
Date : 9th August, 2012

Dr L.K. Malhotra  
Chairman & Managing Director

#### Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company:

- |    |  |   |
|----|--|---|
| 1. | Name of the Subsidiary Company   | CJSC CHL International<br>(incorporated at Tajikistan<br>Ministry of Justice of Republic of Tajikistan) |
| 2. | The financial year of the subsidiary Company ended on  | 31.03.2012  |
| 3. | Date from which it became subsidiary   | 30.10.2009  |
| 4. | a) No. of shares of the Subsidiary held by holding company in its own name at the end of the financial year of the subsidiary company  | 338,940 Equity shares of<br>100 Somoni each in the subsidiary company                                   |
|    | b) Extent of the interest of the Holding Company at the end of the financial year of the subsidiary  | 70%   |
| 5. | The net aggregate amount of the Subsidiary's Profits/Losses) so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's Accounts  |   |
|    | (i) for the subsidiary's financial year ended on March 31, 2012  | Rs. 205.42 lacs   |
|    | (ii) for prior years since becoming subsidiary.  | Rs. 27.91 lacs  |
| 6. | The net aggregate amount of the Subsidiary's Profits/(Losses) so far it concerns the member of the Holding Company and has been dealt with in the Holdings Company's Accounts: |   |

(i) for the Subsidiary's financial year ended on March 31, 2012	Nil
(ii) for prior years since becoming subsidiary	Nil
7. Changes, if any, in the Holding Company's interest in the subsidiary between the end of the previous financial year of the subsidiary and the end of previous financial year of holding company.	Nil
8. Details of material changes, if any, which occurred between the end of previous financial year of the subsidiary and the end of previous financial year of the Holding company, in respect of :-	
(a) The subsidiary's Fixed Asset	
(i) Tangible Assets	Rs. 79.55 lacs
(ii) Capital Work in Progress	Rs. 7,499.37 lacs
(b) The subsidiary's Investments	Rs. 0.30 lacs
(c) Long Terms Loans & Advances	Rs. 180.68 lacs
(d) The money lent by Exim Bank	Rs. 4,426.31 lacs
(e) The moneys borrowed by it for any purpose other than that of meeting current liabilities	Nil

**Statement giving financial information of subsidiary company for the year ended 31st March 2012.**

<b>S.No. Particulars</b>	<b>Rs. in lac</b>
1. Share Capital	4,894.25
2. Reserves and Surplus	331.59
3. Secured Loans	4,426.31
4. Current Liabilities	215.16
<b>Total</b>	<b>9,867.31</b>
5. Fixed Asset	
(i) Tangible Assets	79.55
(ii) Capital Work in Progress	7,499.37
6. Investments	0.30
7. Long Term Loans and Advances	180.68
8. Current Asset	2,107.41
<b>Total</b>	<b>9,867.31</b>
9. Profit before Tax	293.46

For and on behalf of the Board

Place : New Delhi  
Date : 9th August, 2012

Dr L.K. Malhotra  
Chairman & Managing Director

**CHL LIMITED****CORPORATE GOVERNANCE**

CHL Ltd. defines the Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth-generating capacity. More specifically it is the framework by which the various stake holders' interests are balanced. It involves regulatory and market mechanisms, and the roles and relationships between a company's management, its board, its shareholders and other stakeholders, and the goals for which the corporation is governed.

Much of the contemporary interest in corporate governance is concerned with mitigation of the conflicts of interests between stakeholders. Ways of mitigating or preventing these conflicts of interests include the processes, customs, policies, laws, and institutions which have impact on the way a company is controlled. An important theme of corporate governance is the nature and extent of accountability of people in the business and enhancing the mechanism to increase the corporate goal ethically.

**BOARD OF DIRECTORS**

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic supervision of CHL Ltd. The Board has to ensure that the Company has clear goals aligned to shareholders value and its growth. The Board set strategic goal and seeks accountability for their fulfillment. The Board shall also provide direction and exercise appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspiration and social expectations.

In terms of Corporate Governance Policy, all the statutory and other significant and other information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as a trustees of the Shareholders.

None of our Director is a Director in more than 15 Companies and Member of more than 10 companies and Chairman of more than 5 Committees as specified under Clause 49 of the Listing Agreement across all the companies in which he is Director.

As on 31st March 2012, the Company has nine Members on the Board. Dr. L.K. Malhotra, Chairman & Managing Director, Mr. Luv Malhotra, Executive Director and Mr. Gagan Malhotra, Whole Time Director are the whole time Executive Directors. Remaining six Directors are Non-Executive Directors. Among the six Directors, two are Non-Executive Non-Independent Directors and four are the Non-Executive Independent Directors.

Name of Directors	Designation	No. of Directorships held in other companies*	No. of Committee Membership held in other companies	
			Member	Chairman
<b>Executive</b>				
Dr. L.K. Malhotra	Chairman & Managing Director	4	1	3
Mr. Luv Malhotra	Executive Director	2	Nil	Nil
Mr. Gagan Malhotra	Whole Time Director	Nil	Nil	Nil
<b>Non Executive Non-Independent</b>				
Mr. D.V Malhotra	Director	Nil	Nil	Nil
Mr. A.K. Malhotra	Director	1	Nil	Nil
<b>Non Executive Independent</b>				
Mr. O.P. Bajaj	Director	Nil	Nil	Nil
Mr. Subhash Ghai	Director	3	Nil	1
Mr. Lalit Bhasin	Director	14	4	Nil
Mr. R.C Sharma	Director	5	6	Nil

\*Excluding Private, Foreign and Companies registered under Section 25 of the Companies Act 1956.

All Directors have as on 31st March 2012, filed the requisite declaration stating that the disqualification contemplated under Section 274 (1) (g) of the Companies Act 1956 do not apply to them.

## DIRECTORS' PROFILE

### 1. **Dr. L. K. Malhotra**

Dr. L. K. Malhotra, aged 68 years, is Hon'y Ph. D in Business Management. He has wide experience of 47 years in various industries. Initially he started his carrier with M/s A. N. Malhotra & Sons, Kuwait which was engaged in trading of consumer products. He was responsible for the management of Sales & Marketing Division of the firm. After associating with various trades in Kuwait he finally shifted to India and joined CHL Limited in the capacity of Managing Director in the year 1985. He is Secretary for Indo Kuwait NRI Forum and President of Forum For Better Delhi. With the bifurcation of USSR and formation of various countries under CIS, he took active interest in promoting the relationship between India and Tajikistan and was instrumental to arrange Government level discussion between India and Tajikistan. Vide a presidential decree issued by the President of Republic of Tajikistan, he was appointed as Honorary Consul of Tajikistan for India in 1994 and continued till they opened their Embassy in New Delhi in 2003. He is President & Chairman of Mataji Melan Devi Society (Regd.), a Charitable Trust. He is also a trustee member of Swami Ram Tirath Mission, Dehradun.

### 2. **Mr. D. V. Malhotra**

Mr. D. V. Malhotra, aged 73 years, is a Non-Resident Indian based at Kuwait and he is one of the prominent figures of Indian Origin and is known industrialist with wide and vast experience in the field of General Trading and Business in Kuwait.

### 3. **Mr. A. K. Malhotra**

Mr. A. K. Malhotra, aged 63 years, is a hotelier and has an experience of more than two decades in the field of hospitality Industry. He is Managing Director of M/s Mela Hotels Limited.

### 4. **Mr. O. P. Bajaj**

Mr. O. P. Bajaj, aged 78 years, is a Non Resident Indian based at Bangkok. He has vast experience in the field of Managing Hotels and is a well-known Industrialist in Bangkok. He owns three Hotels in Bangkok

### 5. **Mr. Subhash Ghai**

Mr. Subhash Ghai, aged 69 years, is a renowned and well known and leading Film Director. He is an eminent and outstanding personality in film industry with 36 years of experience. He ventured into selling of films directly to the overseas clients through his film Saudagar in the year 1991. He has been honoured by the United States Senate in October, 1996 for his achievements as producer and director. He is the founder of "Whistling Woods International"- an institute for film training. He is one of the prominent of figures in the entertainment business and film industrial life of Mumbai.

### 6. **Mr. Luv Malhotra**

Mr. Luv Malhotra, aged 39 years, is M.Sc. (Economics) from University of Buckingham. He has an experience of 14 years in the field of Hospitality Industry. He joined the Company as General Manager (Co-ordination) in the year 1998. Thereafter, he was inducted on the Board of the Company as an Executive Director in the year 2000. Since then, he looks after strategic planning and day to day operations of the Company.

### 7. **Mr. R. C. Sharma**

Mr. R. C. Sharma, aged 72 years, is an I.P.S. (Retired), and former Director of Central Bureau of Investigation. He has rich and vast experience in the fields of public administration and information technologies.

### 8. **Mr. Gagan Malhotra**

Mr. Gagan Malhotra, aged 44 years, is B. Sc. from university of Michigan, USA. He got a rich experience in the field of Sales Management, Customer Management, and Project and Operational Management. He is expertise in planning, customer services, staff training, price strategies and identification of new business opportunities, strategic market plan execution and creating a team environment to increase the productivity. He has been appointed as Whole Time Director in the Year 2010

### 9. **Mr. Lalit Bhasin**

Mr. Lalit Bhasin aged 44 years, is B.Com from Shri Ram College of Commerce, Delhi. He is well known in the field of financial service industry. He is President of HB Charitable Trust.



## CHL LIMITED

### DETAILS OF THE DIRECTORS (RETIREMENT BY ROTATION) FOR APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETINGS (PURSUANT TO CLAUSE 49 (VI A) OF THE LISTING AGREEMENT)

Name of Directors	Age	Date of last Re-Appointment in the A.G.M.	List of other Companies in which Directorship held including other Board committee members*
Mr. Subhash Ghai	69 Years	21.09.2010	<ol style="list-style-type: none"> <li>1. Mukta Arts Limited – Chairman &amp; MD</li> <li>2. Whistling Woods International Limited</li> <li>3. Connect 1 Ltd</li> <li>4. Mukta Tele Arts Pvt. Ltd.</li> <li>5. Coruscant Tec Pvt. Ltd.</li> </ol>
Mr. D.V. Malhotra	73 Years	21.09.2010	Nil
Mr. Lalit Bhasin**	44 Years		<ol style="list-style-type: none"> <li>1. HB Leasing &amp; Finance Co. Ltd.</li> <li>2. HB Stockholdings Ltd.</li> <li>3. HB Portfolio Ltd.</li> <li>4. HB Estate Developers Ltd.</li> <li>5. RRB Securities Ltd.</li> <li>6. Taurus Asset Management Co. Ltd.</li> <li>7. Har Sai Investments Ltd.</li> <li>8. HB Securities Ltd.</li> <li>9. RRB Master Securities Delhi Ltd.</li> <li>10. CHL (South) Hotels Ltd</li> <li>11. Raja Ram Bhasin Share &amp; Stock Brokers Ltd.</li> <li>12. Bhasin Share &amp; Stock Brokers Ltd.</li> <li>13. AHL Hotels Ltd.</li> <li>14. Indo Continental Hotels &amp; Resorts Ltd.</li> <li>15. HB Financial Consultants Pvt. Ltd.</li> <li>16. HBB Properties Pvt. Ltd.</li> <li>17. RRB House Finance Pvt. Ltd.</li> <li>18. Pal Properties (India) Pvt. Ltd.</li> <li>19. ALMR Gem &amp; Trading Pvt. Ltd.</li> </ol> <p><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. HB Leasing &amp; Finance Co Ltd - Member</li> <li>2. Indo Continental Hotels &amp; Resorts Ltd - Member</li> </ol> <p><b>Investors' Grievances Committee</b></p> <ol style="list-style-type: none"> <li>1. RRB Securities Ltd Member.</li> <li>2. HB Leasing &amp; Finance Co Ltd – Member</li> </ol>
Mr. R.C Sharma	72 Years	23.09.2011	<ol style="list-style-type: none"> <li>1. Sir Shadilal Enterprises Ltd.</li> <li>2. HB Portfolio Ltd.</li> <li>3. PCI Ltd.</li> <li>4. Indsec Securities &amp; Finance Ltd.</li> <li>5. Security And Intelligence Services (India) Ltd.</li> </ol> <p><b>Audit Committee :</b></p> <ol style="list-style-type: none"> <li>1. Sir Shadilal Enterprises Ltd.</li> <li>2. PCI Ltd.</li> </ol> <p><b>Remuneration Committee</b></p> <ol style="list-style-type: none"> <li>1. Sir Shadilal Enterprises Ltd.</li> <li>2. HB Portfolio Ltd.</li> <li>3. PCI Ltd.</li> </ol>



#### Investors' Grievances Committee

Name	Age	Date of Appointment	Companies
<b>Mr. A.K. Malhotra</b>	63 Years	23.09.2011	1. PCI Ltd 1. Mela Hotels Ltd. - MD 2. Malbros Farms 3. Vatsal Food's Pvt. Ltd.
<b>Mr. O.P. Bajaj</b>	78 Years	23.09.2011	NIL

\* Excluding foreign and Companies registered under Section 25 of the Companies Act 1956.

\*\*Mr. Lalit Bhasin who was appointed in casual vacancy arisen due to sad demise of Shri H. C. Bhasin. His tenure expires in the ensuing AGM. It is proposed to appoint Mr. Lalit Bhasin as a Director of the Company under Section 257 of the Companies Act, 1956 in the forthcoming Annual General Meeting subject to the approval of Shareholders.

#### DETAILS OF NON RETIRING DIRECTORS

Name of Directors	Age	Date of last Appointment / Re-Appointment	List of other Companies in which Directorship held* including other Board committee members
<b>Dr. L. K. Malhotra</b> Chairman & Managing Director	68 Years	15.07.2010	1. Mohan Meakin Ltd. 2. Taurus Investment Trust Co. Ltd. 3. Mohan Rocky Springwater Breweries Ltd. 4. Kyjol Projects Pvt. Ltd. 5. CHL (South) Hotels Ltd. 6. Sunkalp Portfolio Investments Private Ltd. <b>Audit Committee:</b> 1. Mohan Meakin Ltd. 2. Taurus Investment Trust Co. Ltd. <b>Remuneration Committee:</b> 1. Mohan Meakin Ltd. <b>Investors' Grievances Committee:</b> 1. Mohan Meakin Ltd.
<b>Mr. Luv Malhotra</b> Executive Director	39 Years	22.09.2010	1. CHL (South) Hotels Ltd 2. Kyjol Projects Pvt. Ltd. 3. Satyam Cineplexes Ltd
<b>Mr. Gagan Malhotra</b> Wholetime Director	44 Years	01.04.2010	Rache Overseas Pvt. Ltd.

\* Excluding foreign and Companies registered under Section 25 of the Companies Act 1956

#### BOARD MEETINGS AND ATTENDANCE

During the year ended on 31st March 2012, five Board Meetings were held.

S. No.	Date of Meeting	Board Strength	Number of Directors Present
1.	14.05.2011	9	8
2.	23.07.2011	9	6
3.	23.09.2011	9	8
4.	05.11.2011	9	8
5.	10.02.2012	9	8

**ATTENDANCE**

Attendance of Directors at the Board Meetings held during the financial year ended on 31st March, 2012 and at the 32nd Annual General Meeting held on 23rd September, 2011 is as under:

S.No.	Name of Directors	No. of Board Meetings attended	Attendance at the last AGM
1.	Dr. L.K. Malhotra	5	Yes
2.	Mr. D.V Malhotra	4	Yes
3.	Mr. O.P. Bajaj	5	Yes
4.	Mr. A.K. Malhotra	5	Yes
5.	Mr. Subhash Ghai	Nil	No
6.	Mr. Luv Malhotra	5	Yes
7.	Mr. R.C Sharma	5	Yes
8.	Mr. Gagan Malhotra	5	Yes
9.	Mr. Lalit Bhasin	4	Yes

**AUDIT COMMITTEE**

The role and terms of reference of Audit Committee are in conformity of the Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange. The terms of reference of committee are wide enough to cover the matter specified for Audit Committee under the Listing Agreement.

Terms of Reference of the Audit Committee are as per statutory guidelines that inter-alia, include overseeing financial reporting processes, reviewing quarterly, half yearly and annual financial results, adequacy of internal control systems, internal audit function, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditors on any significant findings and also to investigate any activity within its terms of reference and to seek any information it requires from any employees and to secure the attendance of outsiders with relevant experience and expertise, where considered necessary.

**DETAILS OF MEETINGS HELD**

During the year ended 31st March 2012, four Audit Committee Meetings were held.

S. No.	Date of Meeting	Audit Committee Strength	Number of Directors Present
1.	14.05.2011	4	4
2.	23.07.2011	4	3
3.	05.11.2011	4	4
4.	10.02.2012	4	4

**ATTENDANCE**

Quorum for the meetings was there in accordance with the provisions of Companies Act and Listing Agreements.

S.No.	Members of Audit Committee	Position	No. of Meetings attended
1.	Mr. O.P Bajaj	Chairman	4
2.	Mr. Luv Malhotra	Member	4
3.	Mr. R.C Sharma	Member	4
4.	Mr. Lalit Bhasin	Member	3

**REMUNERATION POLICY**

The Remuneration Policy of the Company for the managerial personnel is based on the performance of the Company, track record, potential and performance of the individual managers, external competitive environment and decided by the management. The remuneration of Directors is recommended by the Remuneration Committee of Directors to the Board of Directors.



## REMUNERATION COMMITTEE

The Company has a Remuneration Committee, comprising of the following three Directors:

S. No.	Members of Remuneration Committee	Position
1.	Mr. O.P Bajaj	Chairman
2.	Mr. Subhsh Ghai	Member
3.	Mr. Lalit Bhasin	Member

The Company Secretary is the Compliance Officer. Meetings are held as and when the attention of the Committee arises. During the Financial Year no meeting was held.

## INVESTORS/SHAREHOLDERS GRIEVANCES COMMITTEE

The Committee was constituted by the Board in their meeting held on October 31, 2011. Following are the members of the Committee:-

Name of the Directors	Position
Mr. O.P. Bajaj	Chairman
Mr. Lalit Bhasin	Member
Mr. A.K. Malhotra	Member

The Company Secretary is the Compliance Officer. Meetings are held as and when the attention of the Committee arises. During the Financial Year no meeting was held. The Company attends to the investors/shareholders, correspondence and share transfers expeditiously and usually replies are sent within a period of 15 days of receipt, except in those cases which are disputed and sub-judice. There are no pending share transfers as on 31st March 2012. The Company furnishes necessary documents/information to Shareholders.

The Company received 15 complaints from shareholders during the year which interalia included non receipt of Annual Report, Transmission of Shares and past years' dividend. The grievances were duly attended to and the Company has furnished necessary documents/information to the shareholders. No grievances were pending at the year end.

## Sitting Fees

**Sitting Fee paid to Non-executive Directors is as under:**

Name of Directors (Non-Executive)	Sitting Fees (Rs. in lac)
Mr. D.V Malhotra	0.80
Mr. A.K. Malhotra	1.00
Mr. O.P. Bajaj	1.80
Mr. Subhash Ghai	Nil
Mr. R.C Sharma	1.80
Mr. Lalit Bhasin	1.40

**Sitting fee paid to Executive Directors during the year under review is as under:**

Name of Directors	Sitting Fees (Rs. in lac)
Dr. L.K. Malhotra , Chairman & Managing Director	1.00
Mr. Luv Malhotra, Executive Director	1.80
Mr. Gagan Malhotra, Wholetime Director	1.00

The Company did not have any pecuniary relationship or transactions with the Non Executive Directors/Executive Directors during the financial year 2011-2012.





## CHL LIMITED

Remuneration paid to working Directors is as under:

(Rs. in Lac)

Name of Directors	Salary & Allowance	Contribution to PF
Dr. L.K. Malhotra	42.00	2.88
Mr. Luv Malhotra	42.00	2.88
Mr. Gagan Malhotra	42.00	2.88

### GENERAL BODY MEETINGS

The last three Annual General Meetings were held at Hotel The Suryaa, New Friends Colony, New Delhi 110025 on 23.09.2009, 21.09.2010 and 23.09.2011 respectively.

No Special Resolution requiring a postal ballot is being proposed for the ensuing AGM.

No resolution was passed through postal ballot.

### DISCLOSURES

Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors, or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties are disclosed in Notes to the Financial Statements, to the Annual Accounts for the Financial Year 2011-2012. These transactions are not of material nature and do not have any potential conflict with the interest of the Company.

### Disclosure by Senior Management in accordance with Clause 49 1V (F) (ii) of the Listing Agreement

The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions with the Company that may have potential conflict with the interests of the Company at large.

### Disclosures on Compliance of law

The Company has complied with the mandatory requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

### Whistle Blower Policy

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

### Details of compliance with mandatory requirements and adoption of non mandatory requirements

The Company has complied with all the mandatory requirements as per clause 49 of the Listing Agreement with the Stock Exchanges. Out of the non mandatory requirements, the requirement as to Remuneration Committee is in place.

### Certificate from the Managing Director and the Head of Finance/CFO

Certificate from Dr. L. K. Malhotra, Managing Director and Mr. N. K. Goel, Vice President (Finance)/CFO in terms of clause 49 (V) of the Listing Agreements with the Stock Exchanges for the financial year ended 31st March, 2012 was placed before the Board of Directors of the Company in its meeting held on 9th August, 2012.

The Company has well established internal control systems and procedures which in certain cases are in the process of being further documented and updated.

### Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

Code of Conduct which commits to carry out all its activities in compliance with law, in the frame work of straightforward competition and with honesty, integrity, fairness and good faith and in compliance with the lawful interest of all its shareholders, viz. shareholders, creditors, customers, employees, trade and society at large.

Code of Conduct which exemplifies care for customers by sensing their future needs and comfort with warm services.



Code of Conduct which demonstrate team work, mutual trust, respect and two way communication that excels that customers/ employees are our key asset.

All Board Members and Senior Management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Managing Director forms part of this Annual Report and annexed to this Report.

To

All Members

This is to certify that all Board Members and Senior Management Personnel(s), to whom the Code of Conduct of the Company applies, are complying/abiding by the same and no instance of non-compliance with the same has been reported till date.

**Place : New Delhi**  
**Date : 9th August, 2012**

**Dr. L.K. Malhotra**  
**Chairman & Managing Director**

### **MEANS OF COMMUNICATION**

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is at the core of good corporate governance. The Company regularly intimates un-audited/audited financial results to the Bombay Stock Exchange and Delhi Stock Exchange. These financial results are normally published in the Business Standard in English and Hindi edition.

In accordance with circular issued by the Ministry of Corporate Affairs on the Green Initiatives and amendment in clause 32 of the listing agreement with stock exchanges, the Company will send Annual Report containing inter-alia, Audited Consolidated and Standalone Financial Statements, Directors Report, Auditors Report, Management Discussion & Analysis Report, Corporate Governance Report including information for the Shareholders, other important information and Notice of the ensuing Annual General Meeting along with the proxy forms electronically. These documents are also available on the Company's website ([www.chl.co.in](http://www.chl.co.in)). In case the members are desirous of getting the Annual Reports in physical form, they may send their request to the company.

### **SHAREHOLDERS INFORMATION**

33rd Annual General Meeting	25th September, 2012,
Date, Time and Venue	at 12.00 Noon Hotel The Suryaa New Friends Colony, New Delhi 110025
Financial Calendar for 2012-13 (Tentative)	Adoption of Quarterly Results
For the Quarter ending	1st /2nd week of
June 2012	Aug .2012
September 2012	Nov. 2012
December 2012	Feb. 2013
March 2013	May 2013
Book Closure Dates	15th September, 2012 to 25th September, 2012 (Both days inclusive)
Final Dividend Payment	Members whose names appear as on 14th Sept 2012 in the Register of members and as Beneficial Owner at the end of the Business hours on 14th Sept. 2012 as per the list to be furnished by NSDL / CDSL in respect of shares held in Electronic Form, are entitled Final Dividend.

**CODE OF CONDUCT**

The Code of Conduct as adopted by Board of Directors is applicable to Directors, Senior Management and Employees of the Company. The code is derived three interlinked fundamental principles, viz, good corporate governance, good corporate citizenship and exemplary personal conduct. The code is available on the company's corporate website.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

Code of conduct for prevention of insider trading as approved by the Board of Directors, inter-alia, prohibits purchase/sale of securities of the company by directors and employees of the company while in possession of unpublished price sensitive information in relation to the company. The code is available on the company's corporate website.

**LISTING ON STOCK EXCHANGE(S)****DELHI STOCK EXCHANGE**

The Equity Shares of the Company stand listed on the Delhi Stock Exchange (File No. 3950). The last officially quoted price was Rs. 47 in the year 1998-1999. There was no trading in the Company's Share on Delhi Stock Exchange during the last several financial years including the financial year 2011-12.

**BOMBAY STOCK EXCHANGE**

The equity shares of the Company was listed at Bombay Stock Exchange w.e.f. 4th July, 2008 in the category of B list. The Scrip Code No. is 532992. The official quoted price at the Bombay Stock Exchange is as under:

**Scrip Code: 532992 Companies: CHL LTD**  
**For the Period: April 2011 to March 2012**

<b>Month Price Rs.</b>	<b>Open Price Rs.</b>	<b>Low Price Rs.</b>	<b>Close Price Rs.</b>	<b>No. of Shares</b>	<b>No. of Tread</b>	<b>Total Turnover Rs.</b>	<b>Total</b>
April 2011	78.85	84.00	75.00	78.25	7,437	140	5,84,517
May 2011	77.00	80.50	71.20	75.00	10,145	147	7,69,643
Jun 2011	76.00	89.95	74.05	84.75	2,875	53	2,29,806
Jul 2011	80.55	90.05	78.85	78.85	6,686	176	5,60,711
Aug 2011	78.85	80.90	65.05	72.95	6,117	116	4,45,457
Sep 2011	74.75	84.00	69.35	70.50	6,564	91	5,09,819
Oct 2011	70.55	78.00	68.00	78.00	5,184	63	3,79,918
Nov 2011	81.90	82.20	63.85	66.95	24,432	98	16,67,693
Dec 2011	70.00	76.90	68.50	72.95	3,730	48	2,68,286
Jan 2012	72.60	82.00	71.10	78.45	2,107	28	1,54,838
Feb 2012	82.00	84.95	72.25	72.25	5,345	85	4,23,837
Mar 2012	75.85	87.55	71.00	86.60	10,183	182	8,02,065

Annual Listing Fee as prescribed by the Company to the above Stock Exchanges for the Financial Year 2012-13 has been paid. The Company has paid the Annual Custodian Fees to the NSDL and CDSL for the Financial Year 2012-13.

**REGISTRAR AND SHARE TRANSFER AGENT**

The Address of the Registrar and Transfer Agent is as under:

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3rd Floor, 99, Madangir  
Behind Local Shopping Centre.  
New Delhi 110 062  
Phone: 29961281-83 Fax: 29961284  
E- mail: beetalrta@gmail.com



Shareholders are requested to contact for the queries in respect of share transfer/change of address and other allied matters to the above Registrar and Transfer Agent.

### SHARE TRANSFER SYSTEM

The Board of Directors of the Company has delegated the power of share transfer to the Managing Director/Company Secretary with appropriate individual limits. They periodically attend to the share transfer formalities. The shares received for transfer in physical mode by the Company are transferred expeditiously and thereafter option letter for simultaneous demat of shares are being sent within a period of 20 days from the date of receipt, provided the documents are complete and the shares under transfer are not under dispute. The share certificates duly endorsed are being returned immediately to those who do not opt for simultaneous transfer cum dematerialization. Confirmation in respect of the requests for dematerialization of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) within 15 days.

### INTERNATIONAL SECURITIES IDENTIFICATION NUMBER INE790 DO1012 (with NSDL and CDSL)

#### DEMATERIALIZATION OF SHARES

The shares of the Company are in compulsory demat segment of both the National Securities Depository Limited and the Central Depository Services Ltd. As on March 31, 2012, 9138010 Equity Shares of the Company, forming 83.35% of the Share Capital of the Company, stand dematerialized.

#### DIVIDEND HISTORY

The dividend history of the Company for the last ten years is as under:-

S. No.	Financial Year	% of Dividend	Total Dividend (Rs. in lacs)
1.	2002-2003	NIL	Nil
2.	2003-2004	15%	164.45
3.	2004-2005	15%	164.45
4.	2005-2006	15% (Interim)	164.45
		15% (Final)	164.45
5.	2006-2007	20% (Interim)	219.27
		20% (Final)	219.27
6.	2007-2008	20% (Interim)	219.27
		20% (Final)	219.27
7.	2008-2009	15% (Interim)	164.45
		15% (final)	164.45
8.	2009-2010	15% (Interim)	164.45
		15% (Final)	164.45
9.	2010-2011	15% (Interim)	164.45
		15% (Final)	164.45
10.	2011-2012	10% (Interim)	109.63
		10% (Final)*	109.63

\* Subject to the approval of shareholders in the ensuing Annual General Meeting

#### UNCLAIMED DIVIDENDS

Dividends in respect of the following years remaining unclaimed for seven years from the date of disbursement will be transferred as per Section 205C of the Companies Act 1956, to the Investor Education and Protection Fund of the Central Government (IEPF)



## CHL LIMITED

Particulars of Dividend disbursements and proposed dates of transfer to the IEPF are as under:

Financial Year Ended	Date of declaration of dividend	Due for transfer
31st March 2005*	10.09.2005	September 2012
31st March 2006 (Interim)	30.01.2006	January 2013
31st March 2006 (Final)	27.09.2006	September 2013
31st March 2007 (Interim)	31.01.2007	January 2014
31st March 2007 (Final)	30.07.2007	July, 2014
31st March 2008 (Interim)	29.01.2008	January, 2015
31st March 2008 (Final)	30.09.2008	September, 2015
31st March 2009 (Interim)	31.01.2009	January 2016
31st March 2009 (Final)	23.09.2009	September 2016
31st March 2010 (Interim)	25.01.2010	January 2017
31st March 2010 (Final)	21.09.2010	September 2017
31st March 2011 (Interim)	27.01.2011	January 2018
31st March 2011 (Final)	23.09.2011	September 2018
31st March 2012 (Interim)	10.02.2012	February 2019

\*Unpaid Dividend pertaining to the year ended on 31.03.2005 is being transferred to Investors Education and Protection Fund (IEPF) in the First Week of September, 2012. As such it will not be possible to entertain Dividend Claim pertaining to the year 2005, after August, 2012. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Shareholders who have not yet encashed their Dividend Warrants relating to the above years are urged to immediately get in touch with the Company Secretary so that these could be promptly disbursed.

### **BANK DETAILS**

Shareholders holding shares in physical form are requested to notify/send the following to the Company/ M/s Beetal Financial & Computer Services Pvt. Ltd. to facilitate better servicing, any change in their address/mandate/bank details and particulars of the Bank Account in which they wish their dividend to be credited, in case the same have not been furnished earlier.

Shareholders are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in the physical form and in the dematerialized form respectively, will be printed on dividend warrants so as to protect against fraudulent encashment.

Shareholders who wish to receive dividend in a Bank Account other than one specified by them while opening their Depository Account, may notify their Depository Participants (DPs) of such change in Bank Account. Shareholders are also requested to furnish complete details of their respective Bank Accounts including the MICR code of the bank to their DPs.

### **RECONCILIATION OF SHARE CAPITAL AUDIT**

Reconciliation of Share Capital Audit is being carried out every quarter by Practicing Company Secretaries – A. Chadha & Associates and the Audit reports are placed before the Board for their consideration and review and filed regularly with the Stock Exchanges within the stipulated time.

### **ELECTRONIC CLEARING SERVICE (ECS) FACILITY**

The Company, with respect to payment of dividend, will provide the facility of ECS to Shareholders. Shareholders holding shares in physical form, who now wish to avail the ECS facility, may authorize the Company by sending their ECS mandate in the prescribed form to the Registrar and Transfer Agent of the Company M/s Beetal Financial & Computer Services Pvt. Ltd. The ECS mandate form can be had from M/s Beetal Financial & Computer Services Pvt. Ltd. on request.



#### DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

Range of shares (in Rs.)	No. of shareholders	Percentage of Shareholders to total	No. of shares of Rs. 10 each held	Percentage to total shareholding
Upto 5,000	1744	87.95	1,85,047	1.6878
5,001 to 10,000	93	4.69	82,023	0.7481
10,001 to 20,000	40	2.02	67,081	0.6118
20,001 to 30,000	27	1.36	68,538	0.6251
30,001 to 40,000	4	0.20	14,271	0.1302
40,001 to 50,000	18	0.90	85,455	0.7794
50,001 to 1,00,000	15	0.76	1,18,803	1.0836
1,00,001 and above	42	2.12	1,03,42,440	94.3340
<b>TOTAL</b>	<b>1,983</b>	<b>100.00</b>	<b>1,09,63,658</b>	<b>100.00</b>

#### SHAREHOLDING PATTERN AS ON MARCH 31, 2012

CATEGORY	No. of Shareholders	No. of Shares held	Percentage of Share holding
Promoters(including persons acting in concert and OCB)	28	78,22,988	71.35
Banks/Financial Institutions	1	300	-
Private Bodies Corporate	50	1,84,722	1.65
Other NRIs	131	23,72,333	21.65
Indian Public	1773	5,83,315	5.35
<b>TOTAL</b>	<b>1983</b>	<b>1,09,63,658</b>	<b>100.00</b>

#### ADDRESS FOR CORRESPONDENCE

Communications may be sent to the Company/R&T Agent of the Company

The Company Secretary  
 CHL Limited  
 Hotel The Suryaa  
 New Friends Colony  
 New Delhi 110025  
 E-mail: chl@chl.co.in  
 Phone : 011-26835070, Fax : 011-26836288

#### R & T Agent

Beetal Financial & Computer Services Pvt. Ltd.  
 Beetal House, 3rd Floor,  
 99, Madangir  
 Behind Local Shopping Centre.  
 New Delhi 110 062  
 Phone : 29961281-83 Fax : 29961284  
 E mail : beetalrta@gmail.com

#### ECONOMIC SCENARIO AND HOSPITALITY SECTOR

The performance of the hotels industry is intrinsically knit with the economic growth. During the economic down cycle, the faster pace of deceleration in the hotels industry, as witnessed during 2009, can take the industry to deep troughs. While the climb during the initial phases of recovery is faster than the economic revival, a strong underlying economy is a pre-requisite for a sustained recovery.



Over the past few quarters, the global economy has been affected by various natural, social and economic headwinds; the earthquake in Japan during March-2011, the floods in Thailand during October-2011 or the civil unrest in the Arab countries and most importantly the ongoing economic crisis in the EU. Despite these upheavals, foreign tourist arrivals to India grew by 8.8% to 62.9 lakh tourists while international tourist arrivals grew by 4.4% to 980 million travellers during Year 2011 (Calendar year - Period ending December-2011). The pace was however significantly slower than the 11.8% foreign tourist arrivals and 7.0% (international travellers) of the previous year. Growth in arrivals to Africa and the Middle East was weak while arrivals to Europe, Asia, the Pacific and America led the international traveller growth during last year. With strengthening regional business ties, South and South-East of Asia witnessed strong intra-regional demand during the period.

Domestic demand continues to be relatively healthier; Visa on Arrival eases travel to India.

As witnessed during the previous fiscal, domestic travel continued to support demand across the Indian sub-continent during the current fiscal also. With a weaker rupee undermining pricing power in the Indian subcontinents, cost of outbound travel has increased by over 12% during the past twelve months alone.

Despite incremental room inventory in several markets, occupancies sustained at previous year levels during December-2011 for some markets, while certain heavily supplied markets like the National Capital Region witnessed a 5-10% decline in occupancy.

Certain measures like the visa on arrival scheme by the Govt. of India has a long term positive impact on drawing travellers. At present, India has extended the visa on arrival facility to nationals of 13 countries including Finland, Japan, Luxembourg, new Zealand and Asian countries of Singapore, Cambodia, Indonesia, Vietnam, the Philippines, Laos and Myanmar. Contemplation on adding over 14 new countries including Malaysia, Thailand, Brunei, Spain, France, Germany, Sweden, Russia, Ukraine, Kazakhstan, Brazil and South Africa to this scheme is also underway. Since this facility was introduced in January 2010 (and the list expanded in January 2011), over 6,500 visa on arrival's have been issued in 2010 and over 12,000 visa on arrival's in 2011. This has facilitated easy travel and planning at short notices for tourists

### MANAGEMENT DISCUSSION AND ANALYSIS

#### (a) A Profile of the business unit

Hotel The Suryaa, a 5-Star Deluxe Hotel owned by CHL Limited is located at New Friends Colony in South Delhi at a distance of 20 minutes drive from Connaught Place and 40 minutes drive from the domestic airport. The company has marketing alliance with US based Preferred Hotel Group (PHG). PHG is a global leader in the hospitality industry delivering high performance sales, marketing and technology solutions to 750 independent hotels and resorts in more than 90 countries.

Under the marketing agreement entered with PHG, it has agreed to provide international and regional sales, marketing and reservation activities.

The Hotel has 74 superior rooms, 128 Deluxe rooms, 33 club premier rooms, 6 Deluxe Suite, 3 Luxury Suite, and 1 presidential suite. The Hotel offers food with quality and style and there is enough variety of food so that one can enjoy and relish. The food is international, contemporary and casual. Seven – an interactive restaurant serving traditional Indian food in a contemporary style with seven different cooking techniques under one roof; well renovated Sampan – the 92 cover restaurant for authentic Cantonese and Szechwan Specialties and a panoramic roof top view of the city; Le café – the 24 hours multi cuisine restaurant; Atrium Lounge Bar – one can enjoy the world's finest liquors and sprits; Club one – the fitness center which offers a full fledged Ayurvedic Treatment Center cum Spa, physical therapy, cardiopulmonary rehabilitation and weight control programs.

#### (b) Internal Control System and their adequacy

In the opinion of the management, the internal control systems are adequate. Internal checks, interdependence of jobs responsibilities ensure joint discussions and approvals before any financial commitment is made. Internal Audits are being carried out by the Internal Auditor M/s. L.N. Malik & Co. periodically. Internal Audit Reports are periodically placed before the Audit Committee for review. The Board of Directors take due consideration of the recommendations of the Audit Committee.

#### (c) Risk and concerns

There is no risk or concern other than those which are common such as rise in raw material prices, downturn in economy, civil disturbances and war like situations.

**(d) Financial performance and operational performance**

The Company's financial performance for the year under review is not impressive as compared to last year's performance due to economic slow down. The turnover of the Company is lower by 3.93% as compared to the previous year's turnover. Operating Profit and Net Profit after Tax for the year under review are lower by 15.95% and 48.39% respectively over the previous year's profit. It is hoped that in the coming years the situation will improve.

**(e) Human Resources and Industrial Relations**

The HRD Department of the Hotel looks after the training requirements for general management, kitchen and housekeeping. The Company has paid attention to recruitment and development of all categories of staff. The industrial relations between the employees and the Company continue to be cordial and your Directors wish to place on record their appreciation for the contribution made by the employee at all levels.

**(f) Cautionary Statement**

Management Discussion and Analysis Report to the shareholders is in compliance with the Corporate Governance Standard incorporated in the Listing Agreement and as such cannot be construed as holding our for any forecast/projection/expectation. Actual results could differ materially from those expressed or implied.

Management Discussion and Analysis Report forms part of the Report of the Directors.

**CERTIFICATE BY CEO/CFO**

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the financial year ended March 31, 2012:

1. We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief, these statements:
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year that is fraudulent, illegal or violative of the Company's Code of Conduct.
3. 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.
4. We have indicated to the Auditors and the Audit Committee :
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**N.K. Goel**  
**Vice President (Finance)**  
**Place: New Delhi**  
**Date: 9th August, 2012**

**Dr. L. K. Malhotra**  
**Chairman & Managing Director**





**CHL LIMITED**

**CERTIFICATE FROM SECRETARIAL AUDITOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

The Company has obtained a certificate from M/s A. Chadha & Associates, Practicing Company Secretaries, New Delhi regarding compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The Certificate is annexed.

A. CHADHA & ASSOCIATES  
Company Secretaries  
29 A/I, 4th Floor, Asaf Ali Road, New Delhi - 110 002  
Phone 011- 2323-1847, 2323-4189  
Email: arvindchadha@yahoo.com

**COMPLIANCE CERTIFICATE**

To The Members of CHL Limited

1. We have examined the compliance of conditions of Corporate Governance by CHL Limited (the Company), New Delhi for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that no investor grievances are pending for the period exceeding one month against the Company as per the records maintained by the Shareholders' Grievances Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

**For A. Chadha & Associates,  
Company Secretaries  
(Arvind Chadha)  
Proprietor  
FCS: Membership No.5271**

**Place : New Delhi  
Date : 9th August, 2012**

## **AUDITORS' REPORT**

### **THE SHAREHOLDERS CHL LIMITED NEW DELHI.**

We have audited the attached Balance Sheet of M/s. CHL LIMITED, as at 31st March 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order 2003 as amended by companies (Auditor's Report)(Amendment) Order, 2004, issued by the Government of India in terms of Section 227 (4 A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to above we report that:-

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956;
- (v) On the basis of the written representations received from the Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012; and
  - (b) in the case of the Profit and Loss Account, of the profit for the year ended March 31, 2012.
  - (c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For G. RAI & CO.  
CHARTERED ACCOUNTANTS  
(REGISTRATION NO. 001479N)**

**GULSHAN RAI  
PARTNER**

**MEMBERSHIP NO. 3921**

**Place : New Delhi  
Date : 9th August, 2012**



**ANNEXURE  
(TO THE AUDITORS' REPORT DATED 09-08-2012)**

1. In respect of its Fixed Assets:
  - (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) Fixed assets have been physically verified by the management at reasonable intervals. As explained to us, no material discrepancies were noticed on such verification.
  - (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year.
2. In respect of its inventories;
  - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
3. In respect of loans to or by the companies/firms/parties listed in register maintained u/s 301 of the Companies Act 1956, according to the information and explanation given to us :-
  - (a) The Company has not granted any loans, secured or unsecured, to companies, firm or other parties stated in the register maintained u/s 301 of the Act.
  - (b) The Company has not taken any loan, secured or unsecured from companies, firms, or other parties stated in the register maintained u/s 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods and services.
5. According to the information and explanations given to us,
  - a) particulars of the contracts or arrangements referred to in section 301 of the Companies Act 1956 have been entered in the register required to be maintained under that section and
  - b) transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price.
6. The Company has not accepted deposits from the public within the meaning of section 58A and section 58AA of the act & the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
8. The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1) (d) of the Companies Act, 1956, therefore the provision of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
9. According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has been regular in depositing undisputed dues of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year.
  - b. There were no undisputed amounts outstanding as at 31st March 2012 for a period of more than 6 months from the date they became payable.
  - c. As per certificate issued by Tax Auditor/Advisor of the company dues relating to items, as listed below which have not been deposited till the year end on account of disputes pending adjudication;

S.No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount related	Forum where dispute is pending
1	Income-tax Act 1961	Income tax	3381982	AY 1999-00	ITAT
2	Income-tax Act 1961	Income tax	5176278	AY 2000-01	- do -
3	Income-tax Act 1961	Income tax	5205310	AY 2008-09	CIT (Appeal)
4	Income-tax Act 1961	Income tax	15578574	AY 2009-10	CIT (Appeal)
5	Income-tax Act 1961	Penalty u/s 271(1) (c)	370260	AY 2006-07	CIT (Appeal)
6	Income-tax Act 1961	Penalty u/s 271(1) (c)	252618	AY 2007-2008	CIT (Appeal)

10. The Company has neither accumulated losses nor incurred any cash loss as at the yearend or at the end of the immediately preceding financial year.
11. According to the records of the Company examined by us and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks or Financial Institutions.
12. According to the records of the company examined by us and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / society. Therefore provisions of clause 4(xiii) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions except as disclosed in the financial statements.
16. In our opinion and according to information and explanations given to us, the term loan has been applied for the purpose for which it was obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have, prima-facie, not been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor we have been informed of any such case by the Management.

**For G. RAI & CO.**  
**CHARTERED ACCOUNTANTS**  
**(REGISTRATION NO. 001479N)**

**GULSHAN RAI**  
**PARTNER**

**MEMBERSHIP NO. 3921**

**Place : New Delhi**  
**Date : 9th August, 2012**



# CHL LIMITED

**BALANCE SHEET AS AT 31ST MARCH, 2012**

**Lac Rs.**

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2012		Figures as at the end of previous reporting period ending 31st March 2011	
<b>I EQUITY AND LIABILITIES</b>					
<b>(I) Shareholders' Funds</b>					
(a) Share Capital	2	1,096.37		1,096.37	
(b) Reserve & Surplus	3	7,393.89	8,490.26	7,192.61	8,288.98
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	4	1,948.78		2,910.89	
(b) Deferred Tax Liability (Net)	5	479.96		441.95	
(c) Other Long term Liabilities	6	219.45		222.11	
(d) Long Term Provisions	7	66.03	2,714.22	72.83	3,647.78
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	8	1,711.67		1,356.05	
(b) Trade Payable	9	515.13		433.55	
(c) Other Current Liabilities	10	459.89		378.91	
(d) Short Term provisions	11	140.31	2,827.00	204.48	2,372.99
<b>TOTAL</b>			<b>14,031.48</b>		<b>14,309.75</b>
<b>II ASSETS</b>					
<b>Non Current Assets</b>					
<b>(1) (a) Fixed Assets</b>					
(i) Tangible Assets	12	5,817.81		5,624.98	
(ii) Capital; Work in Progress		-		165.11	
		5,817.81		5,790.09	
(b) Non-current Investments	13	3,597.66		3,531.69	
(c) Long Term Loans & Advances	14	821.21	10,236.68	924.04	10,245.82
<b>(2) Current Assets</b>					
(a) Inventories	15	419.16		375.79	
(b) Trade Receivables	16	383.98		531.16	
(c) Cash & Cash equivalents	17	2,619.92		2,613.97	
(d) Short Term Loans & Advances	18	330.06		524.36	
(e) Other Current Assets	19	41.68	3,794.80	18.65	4,063.93
<b>TOTAL</b>			<b>14,031.48</b>		<b>14,309.75</b>

Notes forming integral part of the financial statements No 1-46

As per our report of even date attached

For and on behalf of the Board of Directors

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**LUV MALHOTRA**  
Executive Director

**Dr. L. K. MALHOTRA**  
Chairman & Managing Director

**Gulshan Rai**  
Partner  
Membership No. 3921

**N.K. GOEL**  
Vice President Finance

**G. J. VARADARAJAN**  
Company Secretary

New Delhi  
Date : 9th August, 2012



**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

**Lac Rs**

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2012	Figures as at the end of previous reporting period ending 31st March 2011
I Revenue from Operations	20	6,238.55	6,561.03
II Other Income	21	424.26	374.93
III Total Revenue		6,662.81	6,935.96
IV Expenses			
a) Cost of Material Consumed	22	769.10	757.76
b) Employee benefit expense	23	1,512.14	1,434.99
c) Finance Cost	24	485.80	436.35
d) Operational Expenses	25	2,615.49	2,648.02
e) Depreciation and amortisation expense		485.13	431.26
Total Expenses		5,867.66	5,708.38
V Profit before Exceptional and Extraordinary items and tax (III - IV)		795.15	1,227.58
VI Exceptional items/ Extraordinary items		(9.42)	(5.26)
VII Profit before Tax (V - VI)		785.73	1,222.32
VIII Tax Expenses	26		
a) Current Tax		291.59	452.68
b) Deferred Tax		38.01	(114.19)
		329.60	338.49
IX Profit (Loss) for the period (VII - VIII)		456.13	883.83
X Earnings Per Share			
Basic/Diluted earnings per share		4.16	8.06
Face value per share		10.00	10.00

Notes forming integral part of the financial statements No 1-46

As per our report of even date attached

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**Gulshan Rai**  
Partner  
Membership No. 3921

**New Delhi**  
**Date : 9th August, 2012**

For and on behalf of the Board of Directors

**LUV MALHOTRA**  
Executive Director

**N.K. GOEL**  
Vice President Finance

**Dr. L. K. MALHOTRA**  
Chairman & Managing Director

**G. J. VARADARAJAN**  
Company Secretary



# CHL LIMITED

<b>Cash Flow Statement for the year ended</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
<b>A) Cash Flow From Operating Activities</b>	<b>(Rs. in Lac)</b>	<b>(Rs. in Lac)</b>
<b>Net Profit before Tax &amp; Extraordinary Items</b>	<b>795.15</b>	<b>1,227.57</b>
Adjustments for		
Depreciation	<b>485.13</b>	431.26
Dividend Income	<b>(2.61)</b>	(0.91)
Bad Debts	-	170.27
Loss on Sale of Assets	<b>17.06</b>	0.59
Scrapped/Discarded Assets written off	-	115.30
Profit / Loss on sale of Investment	-	1.00
Interest Expenditure	<b>485.80</b>	436.35
Interest Received	<b>(325.71)</b>	(307.76)
<b>Operating Profit before Working Capital Changes</b>	<b>1,454.82</b>	<b>2,073.67</b>
Adjustments for		
(Increase) Decrease in Inventories	<b>(43.37)</b>	(63.72)
Increase (Decrease) in Trade Payables	<b>91.59</b>	9.66
(Increase) Decrease in Trade & Other Receivables	<b>147.18</b>	(42.77)
(Increase) Decrease in Loans & Advances	<b>463.05</b>	354.95
<b>Cash generated from Operations</b>	<b>2,113.27</b>	<b>2,331.79</b>
Income Tax (Paid)/Refund	<b>(489.96)</b>	(529.53)
<b>Net Cash from Operating Activities (A)</b>	<b>1,623.31</b>	<b>1,802.26</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	<b>(567.21)</b>	(1,122.02)
Sale of Fixed Assets	<b>37.30</b>	0.98
Purchase of Investment	-	(150.67)
Investment in subsidiary	<b>(124.38)</b>	(871.75)
Sale of Investments	<b>58.41</b>	-
Interest Received	<b>325.71</b>	307.76
Dividend Received	<b>2.61</b>	0.91
<b>Net Cash used in Investing Activities (B)</b>	<b>(267.56)</b>	<b>(1,834.79)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Capital	-	-
Interest Paid	<b>(485.80)</b>	(436.35)
Increase (Decrease) in Security Deposit	<b>(2.66)</b>	(3.91)
Dividend Paid	<b>(219.28)</b>	(331.92)
Dividend Tax Paid	<b>(35.57)</b>	(55.27)
Increase/(Decrease) in long term Borrowing	<b>(962.11)</b>	879.40
Increase/(Decrease) in Short term Borrowings	<b>355.62</b>	391.67
<b>Net Cash used in Financing Activities (C)</b>	<b>(1,349.80)</b>	<b>443.62</b>
<b>Net increase/ decrease in cash and cash equivalents (A+B+C)</b>	<b>5.95</b>	<b>411.09</b>
<b>Cash &amp; Cash Equivalent (Opening balance)</b>	<b>2,613.97</b>	<b>2,202.88</b>
<b>Cash &amp; Cash Equivalent (Closing balance)</b>	<b>2,619.92</b>	<b>2,613.97</b>

As per our report of even date attached

For and on behalf of the Board of Directors

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**LUV MALHOTRA**  
Executive Director

**Dr. L. K. MALHOTRA**  
Chairman & Managing Director

**Gulshan Rai**  
Partner  
Membership No. 3921

**N.K. GOEL**  
Vice President Finance

**G. J. VARADARAJAN**  
Company Secretary

**New Delhi**  
**Date : 9th August, 2012**

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2012

#### A) BASIS OF ACCOUNTING

- i. Financial statements are prepared under the historical cost convention, on accrual basis of accounting (except where otherwise stated hereinafter) in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act, 1956 (Act) and comply with the mandatory accounting standards specified in Companies (Accounting Standard) Rules 2006, prescribed by the Central Government.
- ii. The preparation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### B) FIXED ASSETS AND DEPRECIATION

1. Fixed assets are stated at cost, less depreciation/amortization and impairment losses if any. Cost includes all expenditure necessary to bring the assets to its working condition for its intended use. Capital work in progress comprises of advances to suppliers/service providers and incidental expenditure where the fixed asset is not ready for its intended use as at the balance sheet date. In the case of new undertaking, preoperative expenses are capitalized upon the commencement of commercial operation.
2. Expenses on complete renovation / rebuilding of an existing asset resulting in substantial increase in useful life are capitalized. Residual value of the original asset, renovated or rebuilt is reduced from the cost, if material.
3. Cost of asset(s) replaced but still usable is not reduced from the cost of the asset(s) till it is sold / discarded. If the cost of the asset(s), discarded / sold is not ascertainable, cost of replacement of such asset(s), (discounted as per "indexed cost formula" prescribed under Income Tax Act, 1961) is taken as the cost of such asset(s) for the purpose of deduction from the cost.
4. Depreciation is provided on straight-line method basis in accordance with the provisions of section 205 (2) (b) of the Act, in the manner and at the rates specified in Schedule XIV of the said Act.
5. Intangible Assets are depreciated on straight line method over the useful life thereof, which is taken as three years.

#### C) IMPAIRMENT OF ASSETS

The carrying amounts of the asset(s) are reviewed at each balance sheet date to assess whether these were recorded at their recoverable value, and, where carrying amounts exceed the recoverable value, the assets are written down to their recoverable value.

#### D) INTANGIBLE ASSETS

Accounting treatment of intangible assets like computer software is in accordance with AS-26.

#### E) ASSETS ON LEASE

Accounting treatment of assets taken on lease is in accordance with AS-19.

#### F) BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

#### G) FOREIGN CURRENCY TRANSACTION

1. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.





2. Monetary items denominated in foreign currencies at the year end are restated at year end exchange rates.
3. Non monetary foreign currency items are stated at cost.
4. Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized as revenue except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets unless the amount of difference is not material.

**H) INVESTMENTS**

Long term investments are carried at cost. No provision is made to recognize a decline, other than temporary, in the value of long term investments.

Current investments are carried at lower of cost and fair value, determined on an individual basis.

**I) INVENTORIES**

- i. Inventories are valued at lower of cost and estimated net realizable value after providing for cost of obsolescence and other anticipated loss wherever considered necessary, if material. Cost is determined by using the first in first out (FIFO) basis.
- ii. Linen, Glassware, Chinaware etc.; Items issued to rooms and outlets are treated as replacement of old/worn out items and charged to Profit & Loss Account and items in use at the close of the year are included in inventories.

**J) RETIREMENT AND OTHER EMPLOYEES BENEFITS**

The company has classified various benefits to employees under “Defined Contribution Plan, and Defined Benefit Plan”.

**i. Defined Contribution Plan**

- a) Contributions payable by the company to the concern Government Authorities in respect to Provident Fund, Family Pension Fund and Employees State Insurance are charged to the Profit and Loss Account on accrual basis.
- b) Gratuity liability as on the Balance Sheet date is determined by the insurance company with whom the company has taken a group gratuity policy, on the basis of actuarial valuation using projected unit credit method and such liability has been provided in these accounts.

**ii. Defined Benefit Plan**

Short term compensated absences are recognized as expense, at the undiscounted amount, in Profit and Loss Account of the year in which they are incurred.

Long term compensated absences are provided for based on the actuarial valuation as per projected unit credit method, as at the Balance Sheet date.

Actuarial gains and losses are immediately taken to Profit and Loss Account as income or expenses without resorting to any amortization.

**K) RECOGNITION OF INCOME & EXPENDITURE**

- i. Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations including net income from telecommunication on services. Revenue is recognized upon rendering of service and is stated net of discounts/ allowances.
- ii. Claims recoverable / payable are recognized to the extent admitted. The practice consistently followed, in the earlier years to recognize license fee from shops on receipt basis has been changed to accrual basis. Unclaimed credit balances and excess provision of expenditure are treated as revenue of the year in which such amounts cease to be Company's liability.
- iii. Discarded assets (carpets etc.) are charged to the profit & loss account at written down value. Amount realized, if any, on sale of such items is treated as income. . Scrap value is recognized, if material.

L) CONTINGENT LIABILITIES

Contingent Liabilities are disclosed after careful examination of the facts and legal aspects of the matter involved.

M) TAXATION

Provision for current taxation is made in accordance with Income Tax Laws applicable to the assessment year. Wealth tax for the year is provided as per the Wealth Tax Act and Rules 1957.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset is recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

N) Prior period and extraordinary items and changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

Notes forming part of the financial statements

	As at 31st March 2012		As at 31st March 2011	
	Lac No. of shares	Lac Rs.	Lac No. of shares	Lac Rs.
<b>2. SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	<u>300.00</u>	<u>3,000.00</u>	<u>300.00</u>	<u>3,000.00</u>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 10/- each fully paid	109.64	1,096.37	109.64	1,096.37
		<u>1,096.37</u>		<u>1,096.37</u>
<b>A) Reconciliation of number of Equity shares outstanding</b>				
As at beginning of the year	109.64	1,096.37	109.64	1,096.37
As at end of the year	109.64	1,096.37	109.64	1,096.37

**B) Detail of shareholder holding more than 5 percent shares in the Company.**

Name of Shareholder	As At 31st March 2012		As At 31st March 2011	
	Lac No of Shares	Percentage	Lac No of Shares	Percentage
Malbros Investments Inc	64.58	58.90%	64.58	58.90%

**C) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding 31st March 2012**

NIL

**D) Rights, preferences and restrictions attached to the Equity Shares**

The company has one class of Equity Shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.



## CHL LIMITED

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>3. RESERVES &amp; SURPLUS</b>				
<b>CAPITAL RESERVE</b>				
As per last Balance Sheet		0.94		0.94
<b>CAPITAL REDEMPTION RESERVE</b>				
As per last Balance Sheet		110.00		110.00
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	2,830.00		2,700.00	
Add Transferred from Profit & Loss Account	80.00	2,910.00	130.00	2,830.00
<b>PROFIT &amp; LOSS ACCOUNT</b>				
As per last Balance Sheet	4,251.67		3,881.38	
Add Transferred from Profit & Loss Account	456.13		883.83	
	4,707.80		4,765.21	
<b>Less : APPROPRIATIONS</b>				
Transferred to General Reserve	80.00		130.00	
Proposed & Interim Dividend *	219.28		328.91	
Income Tax on Interim & Proposed Dividend	35.57		54.63	
<b>Balance carried over</b>		<b>4,372.95</b>		<b>4,251.67</b>
		<b>7,393.89</b>		<b>7,192.61</b>

\* The Board of Directors at their meeting has recommended a final dividend of Rs. 1.00 per share (Previous year Rs. 1.50 per share)

### 4. LONG TERM BORROWINGS

(a) Term Loan from Banks				
The Hongkong & Shanghai Banking Corporation Ltd	566.67		1,133.33	
Andhra Bank	1,264.17		1,674.17	
(b) Long Term Finance Lease Obligations	117.94	1,948.78	103.39	2,910.89

- Term Loan from The Hongkong & Shanghai Banking Corporation Ltd is repayable in equal instalment within 5 years from the date of respective loan i.e. by 2012-13 and it carries interest of 10.50% pa and the term loan is secured by pari passu charge over entire present & future Fixed Assets of the company.
- Term Loan from Andhra Bank is repayable in equal installment within 5 year period from the date of respective loan i.e. by 2015-16 and carry interest of 12.25% p.a. Term Loan from Andhra Bank is secured by paripassu charge over entire fixed assets and exclusive charge on current assets.
- The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease. The loan is payable in equated monthly instalments within 5 years period from the date of respective loan.

### 5. DEFERRED TAX LIABILITIES

<b>(i) Deferred Tax Liability</b>				
Depreciation on Fixed Assets	495.34		556.14	
Total (i)	495.34		556.14	
<b>(ii) Deferred Tax Asset</b>				
Disallowance u/s 43 (B) of Income Tax	15.38		114.19	
Total (ii)	15.38		114.19	
<b>Net Deferred Tax Liabilities (i-ii)</b>	<b>479.96</b>	<b>479.96</b>	<b>441.95</b>	<b>441.95</b>

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>6. OTHER LONG TERM LIABILITIES</b>				
a) Security Deposits	205.78		207.20	
b) Others	13.67	219.45	14.91	222.11
<b>7. LONG TERM PROVISIONS</b>				
- Provision for leave Benefit (Ref Note No 35)	49.88		51.18	
- Provision for Gratuity	16.15	66.03	21.65	72.83
<b>8. SHORT TERM BORROWINGS</b>				
- Overdraft against Fixed Deposit with banks	1,711.67	1,711.67	1,356.05	1,356.05
<b>9. TRADE PAYABLE</b>				
- Sundry Creditors (Ref Note No 28)	515.13	515.13	433.55	433.55
<b>10. OTHER CURRENT LIABILITIES</b>				
- Advances from Customers	106.67		88.53	
- Unpaid Dividends	24.01		23.70	
- Statutory Liabilities	245.73		156.28	
- Other Liabilities	83.48	459.89	110.40	378.91
<b>11. SHORT TERM PROVISIONS</b>				
i) Proposed Dividend	109.63		164.45	
ii) Income Tax on Proposed Dividend	17.79		27.32	
iii) Provision for Staff Leave Benefit	12.89	140.31	12.71	204.48

## 12. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01.04.2011	Additions during the year	Sales/ Transfer	As on 31.03.2012	As on 01.04.2011	During the year	Adjustment/ Transfer	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land (Leasehold)	599.31	-	-	599.31	-	-	-	-	599.31	599.31
Land (Freehold)		116.04	-	116.04	-	-	-	-	116.04	-
Land & Building (Noida)	240.48	-	-	240.48	-	-	-	-	240.48	240.48
Building	3,078.60	239.42	-	3,318.02	585.99	54.16	-	640.15	2,677.87	2,492.61
Plant & Machinery	3,483.67	162.25	-	3,645.92	2,179.32	203.67	-	2,382.99	1,262.93	1,304.35
Plant & Machinery (Noida)	90.90	-	-	90.90	-	-	-	-	90.90	90.90
Furniture, Fixture and Fitting	1,132.16	126.98	-	1,259.14	792.05	114.36	-	906.41	352.73	340.11
Office & Other Equipments	93.94	0.23	-	94.17	22.04	4.97	-	27.01	67.16	71.90
Computers	172.44	3.03	-	175.47	88.54	28.16	-	116.70	58.77	83.90
Vehicles	713.69	80.24	172.04	621.89	312.27	79.81	121.81	270.27	351.62	401.42
<b>TOTAL - Current Year</b>	<b>9,605.19</b>	<b>728.19</b>	<b>172.04</b>	<b>10,161.34</b>	<b>3,980.21</b>	<b>485.13</b>	<b>121.81</b>	<b>4,343.53</b>	<b>5,817.81</b>	<b>5,624.98</b>
Previous Year	9,001.63	928.66	325.11	9,605.18	3,757.19	431.26	208.25	3,980.20		



## CHL LIMITED

	31/03/2012 No. of Units	31/03/2011 No. of Units	31/03/2012 Lac Rs.	31/03/2011 Lac Rs.
<b>13. LONG TERM INVESTMENTS</b>				
<b>In Equity Shares - Others (Quoted &amp; Fully Paid)</b>				
Advani Hotels & Resorts (India) Ltd. Of Rs.2/- each	500	500.00	0.01	0.01
Asian Hotel (East) Ltd. Of Rs.10/- each	25	25.00	0.01	0.01
Asian Hotel (North) Ltd. Of Rs.10/- each	25	25.00	0.01	0.01
Asian Hotel (West) Ltd. Of Rs.10/- each	25	25.00	0.01	0.01
EIH Associate Hotels Ltd. Of Rs.10/- each	50	50.00	0.01	0.01
EIH Ltd. Of Rs.2/- each	75	75.00	0.02	0.02
Essar Steel Ltd of Rs. 10/- each	50,000	50,000.00	21.63	21.63
Hotel Leela Venture Ltd. Of Rs.2/- each	250	250.00		
Indian Hotel Ltd. Of Rs.1/- each	100	100.00	0.02	0.02
ITC Ltd. Of Rs.1/- each	30	30.00	0.01	0.01
Jaiprakash Associates Ltd.of Rs. 2/- each	15	15.00	0.01	0.01
Morepen Laboratories Ltd. of Rs. 2/- each	5,000	5,000.00	0.75	0.75
Penta Media Graphics Ltd. of Rs. 1/- each	1,00,000	1,00,000.00	1.00	1.00
Reliance Power Ltd. Of Rs.10/-each	28,800	28,800.00	62.77	62.77
Royal Manor Hotels & Industries Ltd. Of Rs.10/- each	100	100.00	-	-
Sayaji Hotel Ltd. Of Rs.10/- each	100	100.00	-	-
HB state Developers Ltd of Rs. 10/-each	2,59,984	2,59,984.00	150.67	150.67
Taj GVK Hotels & Resorts Ltd of Rs.2/- each	10	10.00	0.03	0.03
			<b>236.96</b>	<b>236.96</b>
<b>In Equity Shares - Others (Unquoted &amp; Fully Paid)</b>				
Bharat Hotel Ltd. Of Rs.10/- each	150	15.00	0.01	0.01
KMAHP Pvt Ltd. Of Rs.10 each	100	100.00	0.01	0.01
Jagruti Hydro Power Pvt Ltd Of Rs.10/- each	1,000	1,000.00	0.10	0.10
Jaipur Stock Exchange of Rs. 10/- each	-	3,24,500.00	-	58.41
			<b>0.12</b>	<b>58.53</b>
<b>In Equity Shares (Unquoted ) - In Subsidiary</b>				
CHL International of Somoni 100 each (Less Calls in Arrear unpaid)	3,38,940	3,38,940.00	3,632.32 (291.74)	3,632.32 (416.12)
			<b>3,340.58</b>	<b>3,216.20</b>
<b>In Equity Shares (Unquoted, Fully Paid up)</b>				
<b>Associate Companies</b>				
CHL (South) Hotels Ltd of Rs.10/- each	1,00,000	1,00,000.00	10.00	10.00
			<b>10.00</b>	<b>10.00</b>
<b>In Mutual Funds (Unquoted, Fully Paid)</b>				
Osian Art Fund	1,00,000	1,00,000.00	10.00	10.00
			<b>10.00</b>	<b>10.00</b>
TOTAL			<b>3,597.66</b>	<b>3,531.69</b>
<b>AGGREGATE VALUE OF</b>				
Quoted Investments	Book Value		Market Value	Market Value
	236.96		114.19	193.03

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>14. LONG TERM LOANS &amp; ADVANCES</b>				
<b>Unsecured, considered good</b>				
- Capital Advances	19.62		149.01	
- Other advances	520.00		520.00	
- Intercompany Deposit	10.00		10.00	
- Security Deposit	39.85		30.80	
<b>Other Loan &amp; advances</b>				
- Income Tax Refundable (Refer Note 44A)	231.74	821.21	214.23	924.04
<b>15. INVENTORIES</b>				
<b>(at cost or realisation value whichever is lower and as certified by the Management)</b>				
i) Chinaware, Glassware, Silverware, Linen etc	137.22		134.07	
ii) Kitchen Accessories	86.31		82.53	
iii) Provision, Food, Beverages etc.	133.04		99.22	
iv) General Stores and Spares	62.59	419.16	59.97	375.79
<b>16. TRADE RECEIVABLES</b>				
<b>(Unsecured considered Good)</b>				
i) Outstanding for over Six Months	23.97		17.40	
ii) Others	360.01	383.98	513.76	531.16
<b>17. CASH AND BANK BALANCES</b>				
<b>Cash &amp; Cash Equivalents</b>				
i) Cash on Hand	44.30		7.49	
ii) Cheques/drafts in Hand	314.08		17.92	
iii) In current accounts	115.49		59.23	
<b>Other Bank Balances</b>				
iv) In Unpaid Dividend Account	24.06		23.74	
v) Scheduled Banks - Fixed Deposits maturing within 12 months of reporting date. (Ref Note No 33)	2,121.99	2,619.92	2,505.59	2,613.97
<b>18. SHORT TERM LOANS &amp; ADVANCES</b>				
<b>(Unsecured-considered good)</b>				
Advances recoverable in cash or kind or for value to be received considered good				
- Intercompany Deposit	-		225.00	
- Other advances	7.73		3.01	
- Advances to Suppliers	4.76		151.72	
- Prepaid Expenses	117.15		118.73	
- Income Tax Recoverable (Refer Note 44B)	200.42	330.06	25.90	524.36
<b>19. OTHER CURRENT ASSETS</b>				
i) Interest accrued on Fixed Deposits	20.25		16.07	
<b>Others - Unsecured, considered good</b>				
ii) Claims receivable (Ref Note No 32)	19.50		-	
iii) Commission receivable	1.93	41.68	2.58	18.65



## CHL LIMITED

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>20. REVENUE FROM OPERATIONS</b>				
Sale of Product				
Wine & Liquor	365.70		388.36	
Food, Beverage & Smokes	2,025.96		1,855.32	
	<u>2,391.66</u>		<u>2,243.68</u>	
Less Excise Duty	3.73	2,387.93	3.38	2,240.30
<b>Sale of Services</b>				
Rooms	3,002.52		3,486.53	
Licence Fee	560.51		499.38	
Communications	45.01		59.40	
Other Operating Revenues	100.79		126.81	
Banquet Misc. Services	141.79	3,850.62	148.61	4,320.73
		<u>6,238.55</u>		<u>6,561.03</u>
<b>21. OTHER INCOME</b>				
Interest earned		325.71		307.76
Dividend Income - Long Term Investments		2.61		0.91
Foreign Currency transaction gain/(loss)		8.76		11.32
Scrap Income		11.21		7.04
Excess Provision & Other Income		75.97		47.90
		<u>424.26</u>		<u>374.93</u>
<b>22. CONSUMPTION OF PROVISIONS, WINES &amp; SMOKES</b>				
<b>A. Provisions, Beverages &amp; Smokes</b>				
Opening Stock	28.71		24.94	
Add: Purchases	642.04		610.97	
	<u>670.75</u>		<u>635.91</u>	
Less : Closing stock	30.31	640.44	28.71	607.20
<b>B. Wine &amp; Liquor</b>				
Opening Stock	70.51		61.69	
Add: Purchases	160.89		159.38	
	<u>231.40</u>		<u>221.07</u>	
Less : Closing Stock	102.74	128.66	70.51	150.56
		<u>769.10</u>		<u>757.76</u>
<b>23. PAYMENT TO AND PROVISION FOR EMPLOYEES</b>				
Salaries, Wages, Stipend & Bonus		1,238.55		1,185.35
Contribution to Provident, Gratuity & Other Funds		131.86		119.25
Employees Welfare Expenses		138.75		125.37
Recruitment & Training Expenses		2.98		5.02
		<u>1,512.14</u>		<u>1,434.99</u>

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>24. FINANCIAL EXPENSES</b>				
I) Interest on Term Loan		<b>290.54</b>		306.01
ii) Interest others		<b>182.66</b>		121.54
iv) Bank & Financial Charges		<b>12.60</b>		8.80
		<b>485.80</b>		<b>436.35</b>
<b>25. OPERATING AND GENERAL EXPENSES</b>				
Linen, Room Catering and other Supplies		<b>255.96</b>		250.87
Power & Fuel		<b>810.42</b>		718.83
Repairs : Machinery		<b>211.30</b>		147.37
Building		<b>124.18</b>		92.69
Others		<b>95.49</b>		100.47
Rent, Rates & Taxes		<b>198.86</b>		183.23
Insurance		<b>20.87</b>		17.22
Directors Sitting Fee		<b>10.60</b>		10.60
Telephone, Telex & Postage		<b>31.67</b>		29.86
Operational Expenses		<b>324.85</b>		331.20
Travelling & Conveyance - Directors		<b>45.37</b>		39.24
Travelling & Conveyance - Others		<b>112.67</b>		101.03
Legal & Professional Expenses		<b>38.44</b>		45.00
Marketing, Franchise & Technical Services		<b>14.32</b>		56.78
Advertisement & Publicity		<b>118.50</b>		77.25
Commission		<b>113.33</b>		106.70
Other Selling Expenses		<b>71.60</b>		52.52
Bad Debts		-		170.27
Loss on Investment		-		1.00
Loss on sale of Assets		<b>17.06</b>		0.59
Operating Equipments & Assets Written off		-		115.30
		<b>2,615.49</b>		<b>2,648.02</b>
Legal & Professional expenses includes				
Payment to Auditors: As Audit Fee		<b>6.18</b>		6.07
For Other Services		<b>0.56</b>		0.55
<b>26. PROVISION FOR TAXES</b>				
- Provision for Income Tax		<b>289.55</b>		450.00
- Provision for Wealth Tax		<b>2.04</b>		2.68
- Provision for Deferred Tax		<b>38.01</b>		(114.19)
		<b>329.60</b>		<b>338.49</b>



**27. Contingent liabilities not provided for in respect of**

	<b>2011-2012 (Rs. in lacs)</b>	2010-2011 (Rs.in lacs)
i) Demands / Claims not acknowledged as debt or which are under litigation	10.00*	10.00*
ii) Bank Guarantees furnished	22.00	22.00
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	299.65	438.95

\* includes claim against which Security deposit for Rs. 6.08 lacs given to High Court.

**28. MICRO AND SMALL ENTERPRISES**

The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to the amounts unpaid at the year end with interest paid / payable under this Act has not been given.

**29.** No depreciation has been provided on building, plant and machinery in NSEZ Noida as the same has not been put to use.

**30.** Lease rental not provide in the financial statements in respect of :

- a. NSEZ Noida land-Amount not determined
- b. Jaipur (Rajasthan) land-Rs. 47.21 Lacs ( previous year Rs. 23.61 lacs)

**31.** Estimated amount of contracts remaining to be executed on capital account, net of advances:

In respect of the Company Rs. NIL (previous year Rs. 63.40 Lacs)

**32.** The amount represents the expenditure incurred till the year end on repair of assets damaged due to fire. The value of the claim lodged with the insurance company for the loss suffered in fire is Rs.53.40 Lacs, which amount has not been approved till the balance sheet date.

**33.** Debts due to or by the company, in some cases are unconfirmed and/or under reconciliation. In the opinion of the management the impact of adjustment on reconciliation is not likely to be significant.

**34.** In the opinion of the management, the assets of the company have a value on realization, in the normal course of business, at least equal to the amounts stated in the balance sheet.

**35.** The Fixed Deposit consists of pledged with:

- i) Statutory Authorities - Rs.3.15 lacs;
- ii) Banks against bank guarantee - Rs. 22.00 lacs; and
- iii) Banks against overdraft facilities - Rs. 2096.84 lacs.

**36.** The Company has given corporate guarantee and created second charge on its fixed assets in favour of Export Import Bank of India against Term Loan of USD 180.00 Lacs granted by the bank to its subsidiary.

**37. EMPLOYEES BENEFITS****Defined Contribution Plans**

Company's contributions in respect of provident fund, family pension fund, employees state insurance and gratuity are included in "contributions to provident, gratuity and other funds in Schedule 11 hereof.

**Defined Benefit Plans**

In accordance with Accounting Standard 15, Company's liability for compensated absences (on account of leave encashment benefit) on actuarial valuation was performed based on following assumption.

	<b>2011-12</b>	<b>2010-11</b>
<b>I. Assumptions :</b>		
Discount Rate	<b>8.00 %</b>	8.00 %
Rate of increase in Compensation levels	<b>6.00 %</b>	6.00 %
Superannuation age	<b>58 yrs</b>	58 yrs
Mortality		
<b>II. Table Showing Change in Benefit Obligation :</b>		
Projected Benefit Obligations (PBO) at the beginning of the year	<b>63.89</b>	80.49
Interest Cost	<b>4.60</b>	6.12
Service Cost	<b>7.81</b>	8.28
Benefits paid	<b>(12.70)</b>	(7.93)
Actuarial (gain) loss on obligations	<b>(0.83)</b>	(23.07)
PBO at the end of the year	<b>62.77</b>	63.89
<b>III. Tables of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	<b>12.70</b>	7.93
Benefits paid	<b>(12.70)</b>	(7.93)
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets	-	-
At the end of the year	-	-
<b>IV. Tables of change in Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions/Transfers	<b>12.70</b>	7.93
Benefits paid	<b>(12.70)</b>	(7.93)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-
<b>V. Funded Status</b>	<b>(62.77)</b>	(63.89)
<b>VI. Limits of Corridor not considered since total actuarial gain/loss is being recognized</b>		
Actuarial gain/(loss) for the year – Obligation	<b>0.83</b>	23.07
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	<b>0.83</b>	23.07
Actuarial (gain)/loss recognized	<b>(0.83)</b>	(23.07)
Unrecognized actuarial gains (losses) at the end of the year	-	-
<b>VII. The Amounts to be recognized in Balance Sheet and Income Statement and the related analysis</b>		
Present Value of Obligation	<b>62.77</b>	63.89
Fair value of Plan Assets	-	-
Difference	<b>62.77</b>	63.89
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	<b>62.77</b>	63.89
<b>VIII. Net Periodic Cost</b>		
Current Service Cost	<b>7.81</b>	8.28
Interest Cost	<b>4.60</b>	6.12



## CHL LIMITED

Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	(0.83)	(23.07)
Expenses Recognised in the Income Statement	(11.58)	(8.67)

### IX. Movements in the liability recognised in the Balance Sheet:

Opening Net Liability	63.89	80.49
Expense as above	11.58	(8.67)
Contributions/Transfers	(12.70)	(7.93)
Closing Net Liability	62.77	63.89

38. AS-17 on Segment Reporting is not applicable as the company is engaged only in hotel business and at one location.

39. Contribution to Political party: Rs. 0.11 lacs (Previous Year Rs. 0.21 lacs)

40. Related party transactions

Subsidiary Company	CHL International
Associate Companies	CHL (South) Hotels Limited
Key Management Personnel	Dr. L.K.Malhotra Managing Director Mr. Luv Malhotra Executive Director Mr. Gagan Malhotra Whole Time Director
Entities controlled by Directors or their relatives	Kyjol Projects Pvt Ltd. Mela Hotels Limited Sankalp Portfolio Investments Pvt Ltd. United Exports Ultima Leasing & Financing

Sr. no	Name of Party	Nature of Transaction	Transaction value	Bal. as on 31.03.2012*	Bal. as on 31.03.2011*
a)	United Exports	Purchase of goods	14.72	(1.40)	(2.90)
b)	Mohan Meakin Ltd	-do-	0.32	NIL	(0.06)
c)	CHL International	- Unpaid Calls	-	(291.74)	(416.12)
		- Investment	-	3632.32	3632.32
d)	Kyjol Projects Pvt Ltd	Sale of vehicle	9.00	NIL	NIL
e)	Ultima Leasing & Financing	Advance	25.50	NIL	NIL

\* FIGURES IN BRACKET INDICATE PAYABLE

41. Managerial Remuneration to Directors

Particulars	2011-12	2010-11
Salary & Allowances	126.00	126.00
Contribution to P.F.	8.64	8.64
Other benefit/perquisites	3.80	3.80
Commission to Directors	NIL	NIL
Sitting Fee to other Directors	6.80	6.80

42. Details of Consumption & Purchase

The company is not required to give quantitative and value wise information in respect of, consumption; turnover, stock etc. as the same is exempted vide circular No. SO301(E) dated 08-02-2011 issued by Ministry of Corporate Affairs, Government of India.

**A. C.I.F. Value of Imports**

a) Food & Beverage	Nil	Nil
b) Wine & Liquor – through canalizing agencies	53.72	65.55
c) Components, spare parts and stores	0.89	17.91
d) Capital Goods	44.61	185.22

**B. Expenditure in Foreign Currency – on payment basis**

i. Technical Services	32.85	71.67
ii. Others	60.87	73.44

**C. Earning in Foreign Exchange – on receipt basis**

On account of hotel services	1600.17	2088.42
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**D. Remittance in Foreign Currency on account of Dividend to non resident shareholders**

The particulars of dividend remitted, including to Non Resident External Account (NRE) are given below:

<b>Final Dividend</b>	<b>Current Year</b>	<b>Previous Year</b>
1. No. of Non Resident shareholders	141	139
2. No. of equity shares held by them	92.29	88.37
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	96.86	96.86
4. Amount of Rupees (in lakhs) remitted to banks in India.	41.57	35.68
5. Year to which Relates	2010-11	2009-10

**Interim dividend**

1. No. of Non Resident shareholders	132	138
2. No. of equity shares held by them	88.30	88.34
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	64.57	96.86
4. Amount of Rupees (in lakhs) remitted to banks in India.	23.72	35.64
5. Year to which Relates	2011-12	2010-11

**43.** Amount transferred to investor education and protection fund as required under section 205 C of the Companies Act as Rs. 1.56 lacs (Previous Year Nil)

**44. A.** Out of "Income Tax Refundable", Rs. 172.82 Lacs has been adjusted against the disputed demands of taxes for earlier years, which demands are in appeals.

**B.** As against the current tax of Rs. 289.55 Lacs, taxes paid/deducted at source till the year end amounted to Rs. 490.01 Lacs, resulting in refundable of Rs. 200.42 lacs.

**45.** Previous year's figures have been regrouped and rearranged wherever necessary to make it comparable with the Current Years figures. All figures have been rounded off to nearest lac rupee.

Balance Sheet abstract and Company's General Business profile

**a. Registration Details**

CIN No.	L55101DL1979PLC009498
State Code	55
Balance Sheet Date	31.03.2012

**b. Capital raised during the year**

Public Issue	NIL
Right Issue	NIL



## CHL LIMITED

Bonus Issue	NIL
Private Placement	NIL
<b>c. Position of mobilization and deployment of funds</b>	
Total Liabilities	14031.48
Total Assets	14031.48
<b>SOURCE OF FUNDS</b>	
Paid-up Capital	1096.37
Reserve & Surplus	7393.89
Non- Current Liabilities	2234.26
Current Liabilities	2827.00
Deferred Tax (Net)	479.96
<b>APPLICAION OF FUNDS</b>	
Net Fixed Assets	5817.81
Non Current Investments	3597.66
Long Term Loans & Advances	821.21
Current Assets	3794.80
<b>d. Performance of the Company</b>	
Turnover	6662.81
Total Expenditure	5867.67
Profit / (Loss) before Tax	795.14
Profit / (Loss) after Tax	456.13
Earnings per share	4.16
Dividend Rate (%)	20
<b>e. Generic names of three Principal products / services of the Company (as per monetary terms)</b>	
Items Code (ITC Code)	NA
Product Description	Hotel Business

As per our report of even date attached

For and on behalf of the Board of Directors

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**LUV MALHOTRA**  
Executive Director

**Dr. L. K. MALHOTRA**  
Chairman & Managing Director

**Gulshan Rai**  
Partner  
Membership No. 3921

**N.K. GOEL**  
Vice President Finance

**G. J. VARADARAJAN**  
Company Secretary

**New Delhi**  
**Date : 9th August, 2012**

## **AUDITORS' REPORT**

### **TO THE BOARD OF DIRECTORS OF CHL LIMITED**

1. We have audited the attached Consolidated Balance Sheet of CHL Limited (the Company) and its subsidiary as at March 31, 2012, the Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Financial Statement of the Subsidiary, audited by us, which has not commenced commercial operations, reflects a net worth of Rs. 9,841 lacs as at 31-03-2012.
3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules 2006.
4. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiary as at March 31, 2012;
  - (b) in the case of the Profit and Loss Account, of the results of operations of the Company for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date.

**For G. RAI & CO.**  
**CHARTERED ACCOUNTANTS**  
**(REGISTRATION NO. 001479N)**

**GULSHAN RAI**  
**PARTNER**  
**MEMBERSHIP NO. 3921**

**Place : New Delhi**  
**Date : 9th August, 2012**



# CHL LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Lac Rs.

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2012		Figures as at the end of previous reporting period ending 31st March 2011	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2	1,096.37		1,096.37	
(b) Minority Interest		1,553.67		1,502.33	
(c) Reserve & Surplus	3	7,725.49	10,375.53	7,232.48	9,831.18
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	4	6,375.09		4,262.66	
(b) Deferred Tax Liability (Net)	5	479.96		441.95	
(c) Other Long term Liabilities	6	219.45		222.11	
(d) Long Term Provisions	7	66.03	7,140.53	72.83	4,999.55
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	8	1,711.67		1,356.05	
(b) Trade Payable	9	575.11		452.25	
(c) Other Current Liabilities	10	615.07		440.87	
(d) Short Term provisions	11	140.31	3,042.16	204.48	2,453.65
TOTAL			<u>20,558.22</u>		<u>17,284.38</u>
<b>II ASSETS</b>					
<b>Non Current Assets</b>					
<b>(1) (a) Fixed Assets</b>					
(i) Tangible Assets	12	5,897.36		5,694.16	
(ii) Capital; Work in Progress		7,499.38		4,867.54	
		13,396.74		10,561.70	
(b) Non-current Investments	13	257.38		315.79	
(c) Long Term Loans & Advances	14	1,001.89	14,656.01	1,097.13	11,974.62
<b>(2) Current Assets</b>					
(a) Inventories	15	1,560.13		517.60	
(b) Trade Receivables	16	383.98		531.16	
(c) Cash & Cash equivalents	17	3,538.55		3,546.35	
(d) Short Term Loans & Advances	18	377.87		696.00	
(e) Other Current Assets	19	41.68	5,902.21	18.65	5,309.76
TOTAL			<u>20,558.22</u>		<u>17,284.38</u>

Notes forming integral part of the financial statement No 1 to 47

As per our report of even date attached

For and on behalf of the Board of Directors

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**LUV MALHOTRA**  
Executive Director

**Dr. L. K. MALHOTRA**  
Chairman & Managing Director

**Gulshan Rai**  
Partner  
Membership No. 3921

**N.K. GOEL**  
Vice President Finance

**G. J. VARADARAJAN**  
Company Secretary

**New Delhi**  
**Date : 9th August, 2012**



**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012** **Lac Rs**

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2012	Figures as at the end of previous reporting period ending 31st March 2011
I Revenue from Operations	20	6,238.55	6,561.03
II Other Income	21	929.50	615.59
III Total Revenue		7,168.05	7,176.62
IV Expenses			
a) Cost of Material Consumed	22	769.10	757.76
b) Employee benefit expense	23	1,512.14	1,434.99
c) Finance Cost	24	485.80	436.35
d) Operational Expenses	25	2,827.27	2,848.81
e) Depreciation and amortisation expense		485.13	431.26
Total Expenses		6,079.44	5,909.17
V Profit before Exceptional and extraordinary items and tax (III - IV)		1,088.61	1,267.45
VI Exceptional items/ Extraordinary items		(9.42)	(5.26)
VII Profit before Tax (V - VI)		1,079.19	1,262.19
VIII Tax Expenses	26		
a) Current Tax		291.59	452.68
b) Deferred Tax		38.01	(114.19)
Total Tax Expenses		329.60	338.49
IX Profit (Loss) for the period (VII - VIII)		749.59	923.70
X Earnings Per Share			
Basic/Diluted earnings per share		9.92	8.06
Face value per share		10.00	10.00

Notes forming integral part of the financial statement No 1 to 47

As per our report of even date attached

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**Gulshan Rai**  
Partner  
Membership No. 3921

**New Delhi**  
**Date : 9th August, 2012**

For and on behalf of the Board of Directors

**LUV MALHOTRA**  
Executive Director

**N.K. GOEL**  
Vice President Finance

**Dr. L. K. MALHOTRA**  
Chairman & Managing Director

**G. J. VARADARAJAN**  
Company Secretary





# CHL LIMITED

Consolidated Cash Flow Statement for the year ended	31st March 2012	31st March 2011
<b>A) Cash Flow From Operating Activities</b>	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
<b>Net Profit before Tax &amp; Extraordinary Items</b>	<b>1,088.61</b>	<b>1,267.44</b>
Adjustments for		
Depreciation	<b>485.13</b>	431.26
Dividend Income	<b>(2.61)</b>	(0.91)
Bad Debts	-	170.27
Loss on Sale of Assets	<b>17.06</b>	0.59
Scrapped/Discarded Assets written off	-	115.30
Profit / Loss on sale of Investment	-	1.00
Interest Expenditure	<b>485.80</b>	436.35
Interest Received	<b>(325.71)</b>	(307.76)
<b>Operating Profit before Working Capital Changes</b>	<b>1,748.28</b>	<b>2,113.54</b>
Adjustments for		
(Increase) Decrease in Inventories	<b>(1,042.53)</b>	(42.00)
Increase (Decrease) in Trade & Other Payables	<b>122.86</b>	(68.00)
Increase (Decrease) in Liabilities	<b>100.57</b>	64.00
(Increase) Decrease in Trade & Other Receivables	<b>147.18</b>	(49.99)
(Increase) Decrease in Loans & Advances	<b>390.34</b>	316.24
<b>Cash generated from Operations</b>	<b>1,466.70</b>	<b>2,333.79</b>
Income Tax (Paid)/Refund	<b>(302.74)</b>	(529.53)
<b>Net Cash from Operating Activities (A)</b>	<b>1,163.96</b>	<b>1,804.26</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/CWIP	<b>(3,374.53)</b>	(2,772.24)
Sale of Fixed Assets	<b>37.30</b>	0.98
Purchase of Investment	-	(150.67)
Investment of Minority Interest	<b>51.34</b>	250.84
Sale of Investments	<b>58.41</b>	-
Interest Received	<b>325.71</b>	307.76
Dividend Received	<b>2.61</b>	0.91
<b>Net Cash used in Investing Activities (B)</b>	<b>(2,899.16)</b>	<b>(2,362.62)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Capital		-
Interest Paid	<b>(485.80)</b>	(436.35)
Increase (Decrease) in Security Deposit	<b>(2.66)</b>	(3.91)
Dividend Paid	<b>(219.28)</b>	(331.92)
Dividend Tax Paid	<b>(35.57)</b>	(55.27)
Increase/(Decrease) in long term Borrowing	<b>2,115.09</b>	2,231.17
Increase/(Decrease) in Short term Borrowings	<b>355.62</b>	391.67
<b>Net Cash used in Financing Activities (C)</b>	<b>1,727.40</b>	<b>1,795.39</b>
<b>Net increase/ decrease in cash and cash equivalents (A+B+C)</b>	<b>(7.80)</b>	<b>1,237.03</b>
<b>Cash &amp; Cash Equivalent (Opening balance)</b>	<b>3,546.35</b>	<b>2,309.32</b>
<b>Cash &amp; Cash Equivalent (Closing balance)</b>	<b>3,538.55</b>	<b>3,546.35</b>

As per our report of even date attached

For and on behalf of the Board of Directors

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**LUV MALHOTRA**  
Executive Director

**Dr. L. K. MALHOTRA**  
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Partner  
Membership No. 3921

**N.K. GOEL**  
Vice President Finance

**G. J. VARADARAJAN**  
Company Secretary

**New Delhi**

**Date : 9th August, 2012**

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2012

#### A) BASIS OF ACCOUNTING

- i. Financial statements are prepared under the historical cost convention, on accrual basis of accounting (except where otherwise stated hereinafter) in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act, 1956 (Act) and comply with the mandatory accounting standards specified in Companies (Accounting Standard) Rules 2006, prescribed by the Central Government.
- ii. The preparation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### B) FIXED ASSETS AND DEPRECIATION

1. Fixed assets are stated at cost, less depreciation/amortization and impairment losses if any. Cost includes all expenditure necessary to bring the assets to its working condition for its intended use. Capital work in progress comprises of advances to suppliers/service providers and incidental expenditure where the fixed asset is not ready for its intended use as at the balance sheet date. In the case of new undertaking, preoperative expenses are capitalized upon the commencement of commercial operation.
2. Expenses on complete renovation / rebuilding of an existing asset resulting in substantial increase in useful life are capitalized. Residual value of the original asset, renovated or rebuilt is reduced from the cost, if material.
3. Cost of asset(s) replaced but still usable is not reduced from the cost of the asset(s) till it is sold / discarded. If the cost of the asset(s), discarded / sold is not ascertainable, cost of replacement of such asset(s), (discounted as per "indexed cost formula" prescribed under Income Tax Act, 1961) is taken as the cost of such asset(s) for the purpose of deduction from the cost.
4. Depreciation is provided on straight-line method basis in accordance with the provisions of section 205 (2) (b) of the Act, in the manner and at the rates specified in Schedule XIV of the said Act.
5. Intangible Assets are depreciated on straight line method over the useful life thereof, which is taken as three years.

#### C) IMPAIRMENT OF ASSETS

The carrying amounts of the asset(s) are reviewed at each balance sheet date to assess whether these were recorded at their recoverable value, and, where carrying amounts exceed the recoverable value, the assets are written down to their recoverable value.

#### D) INTANGIBLE ASSETS

Accounting treatment of intangible assets like computer software is in accordance with AS-26.

#### E) ASSETS ON LEASE

Accounting treatment of assets taken on lease is in accordance with AS-19.

#### F) BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

#### G) FOREIGN CURRENCY TRANSACTION

1. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.



2. Monetary items denominated in foreign currencies at the year end are restated at year end exchange rates.
3. Non monetary foreign currency items are stated at cost.
4. Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized as revenue except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets unless the amount of difference is not material.
5. In case of Foreign subsidiary, being non-integral foreign operations, revenue, and expenditure as also all assets and liabilities are converted at the rate at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.

**H) INVESTMENTS**

Long term investments are carried at cost. No provision is made to recognize a decline, other than temporary, in the value of long term investments.

Current investments are carried at lower of cost and fair value, determined on an individual basis.

**I) INVENTORIES**

- i. Inventories are valued at lower of cost and estimated net realizable value after providing for cost of obsolescence and other anticipated loss wherever considered necessary, if material. Cost is determined by using the first in first out (FIFO) basis.
- ii. Linen, Glassware, Chinaware etc.; Items issued to rooms and outlets are treated as replacement of old/worn out items and charged to Profit & Loss Account and items in use at the close of the year are included in inventories.

**J) RETIREMENT AND OTHER EMPLOYEES BENEFITS**

The company has classified various benefits to employees under "Defined Contribution Plan, and Defined Benefit Plan".

- i. Defined Contribution Plan
  - a) Contributions payable by the company to the concern Government Authorities in respect to Provident Fund, Family Pension Fund and Employees State Insurance are charged to the Profit and Loss Account on accrual basis.
  - b) Gratuity liability as on the Balance Sheet date is determined by the insurance company with whom the company has taken a group gratuity policy, on the basis of actuarial valuation using projected unit credit method and such liability has been provided in these accounts.
- ii. Defined Benefit Plan

Short term compensated absences are recognized as expense, at the undiscounted amount, in Profit and Loss Account of the year in which they are incurred.

Long term compensated absences are provided for based on the actuarial valuation as per projected unit credit method, as at the Balance Sheet date.

Actuarial gains and losses are immediately taken to Profit and Loss Account as income or expenses without resorting to any amortization.

**K) RECOGNITION OF INCOME & EXPENDITURE**

- i. Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations including net income from telecommunication on services. Revenue is recognized upon rendering of service and is stated net of discounts/ allowances.
- ii. Claims recoverable / payable are recognized to the extent admitted. The practice consistently followed, in the earlier years to recognize license fee from shops on receipt basis has been changed to accrual basis. Unclaimed credit balances and excess provision of expenditure are treated as revenue of the year in which such amounts cease to be Company's liability.
- iii. Discarded assets (carpets etc.) are charged to the profit & loss account at written down value. Amount realized, if any, on sale of such items is treated as income. . Scrap value is recognized, if material.

L) CONTINGENT LIABILITIES

Contingent Liabilities are disclosed after careful examination of the facts and legal aspects of the matter involved.

M) TAXATION

Provision for current taxation is made in accordance with Income Tax Laws applicable to the assessment year. Wealth tax for the year is provided as per the Wealth Tax Act and Rules 1957.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset is recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

N) Prior period and extraordinary items and changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

Notes forming part of the financial statements

	As at 31st March 2012		As at 31st March 2011	
	Lac No. of shares	Lac Rs.	Lac No. of shares	Lac Rs.
<b>2. SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	<u>300.00</u>	<u>3,000.00</u>	<u>300.00</u>	<u>3,000.00</u>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 10/- each fully paid	109.64	1,096.37	109.64	1,096.37
		<u>1,096.37</u>		<u>1,096.37</u>
<b>A) Reconciliation of number of Equity shares outstanding</b>				
As at beginning of the year	109.64	1,096.37	109.64	1,096.37
As at end of the year	109.64	1,096.37	109.64	1,096.37

**B) Detail of shareholder holding more than 5 percent shares in the Company.**

Name of Shareholder	As At 31st March 2012		As At 31st March 2011	
	Lac No of Shares	Percentage	Lac No of Shares	Percentage
Malbros Investments Inc	64.58	58.90%	64.58	58.90%

**C) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding 31st March 2012**

NIL

**D) Rights, preferences and restrictions attached to the Equity Shares**

The company has one class of Equity Shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.



# CHL LIMITED

Notes forming part of the financial statements

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac R Rs.
<b>3. RESERVES &amp; SURPLUS</b>				
<b>CAPITAL RESERVE</b>				
As per last Balance Sheet		0.94		0.94
<b>CAPITAL REDEMPTION RESERVE</b>				
As per last Balance Sheet		110.00		110.00
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	2,830.00		2,700.00	
Add Transferred from Profit & Loss Account	80.00	2,910.00	130.00	2,830.00
Foreign Exchange Fluctuation Reserve		(1.74)		-
<b>PROFIT &amp; LOSS ACCOUNT</b>				
As per last Balance Sheet	4,291.55		3,881.38	
Add Transferred from Profit & Loss Account	749.59		923.70	
<b>Less : APPROPRIATIONS</b>				
Transferred to General Reserve	5,041.14		4,805.08	
Proposed & Interim Dividend *	80.00		130.00	
Income Tax on Interim & Proposed Dividend	219.28		328.91	
Balance carried over	35.57		54.63	
		4,706.29		4,291.54
		7,725.49		7,232.48

\* The Board of Directors at their meeting has recommended a final dividend of Rs. 1.00 per share (Previous year Rs. 1.50 per share)

## 4. LONG TERM BORROWINGS

(a) Term Loan from Banks				
The Hongkong & Shanghai Banking Corporation Ltd	566.67		1,133.33	
Andhra Bank	1,264.17		1,674.17	
Export Import Bank Of India	4,426.31		1,351.77	
(b) Long Term Finance Lease Obligations	117.94	6,375.09	103.39	4,262.66

- Term Loan from The Hongkong & Shanghai Banking Corporation Ltd is repayable in equal instalment within 5 years from the date of respective loan i.e. by 2012-13 and it carries interest of 10.50% pa and the term loan is secured by pari passu charge over entire present & future Fixed Assets of the company.
- Term Loan from Andhra Bank is repayable in equal instalment within 5 year period from the date of respective loan i.e. by 2015-16 and carry interest of 12.25% p.a. Term Loan from Andhra Bank is secured by paripassu charge over entire fixed assets and exclusive charge on current assets.
- Term Loan from Export Import Bank Of India is secured by first & exclusive charge over entire present & future Fixed Assets and current assets of the subsidiary of the company and corporate guarantee of the company.
- The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease. The loan is payable in equated monthly instalments within 5 years period from the date of respective loan.

## 5. DEFERRED TAX LIABILITIES

(i) Deferred Tax Liability				
Depreciation on Fixed Assets	495.34		556.14	
Total (i)	495.34		556.14	
(ii) Deferred Tax Asset				
Disallowance u/s 43 (B) of Income Tax	15.38		114.19	
Total (ii)	15.38		114.19	
<b>Net Deferred Tax Liabilities (i-ii)</b>	<b>479.96</b>	<b>479.96</b>	<b>441.95</b>	<b>441.95</b>

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>6. OTHER LONG TERM LIABILITIES</b>				
a) Security Deposits	205.78		207.20	
b) Others	13.67	219.45	14.91	222.11
<b>7. LONG TERM PROVISIONS</b>				
- Provision for leave Benefit (Ref Note No 35)	49.88		51.18	
- Provision for Gratuity	16.15	66.03	21.65	72.83
<b>8. Short Term Borrowings</b>				
- Overdraft against Fixed Deposit with banks	1,711.67	1,711.67	1,356.05	1,356.05
<b>9. Trade Payable</b>				
- Sundry Creditors (Ref Note No 28)	575.11	575.11	452.25	452.25
<b>10. Other Current Liabilities</b>				
- Advances from Customers	106.67		88.53	
- Unpaid Dividends	24.01		23.70	
- Statutory Liabilities	252.78		165.65	
- Other Liabilities	231.61	615.07	162.99	440.87
<b>11. Short Term Provisions</b>				
i) Proposed Dividend	109.63		164.45	
ii) Income Tax on Proposed Dividend	17.79		27.32	
iii) Provision for Staff Leave Benefit	12.89	140.31	12.71	204.48

## 12. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01.04.2011	Additions during the year	Sales/ Transfer	As on 31.03.2012	As on 01.04.2011	During the year	Adjustment/ Transfer	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land (Leasehold)	599.31	-	-	599.31	-	-	-	-	599.31	599.31
Land (Freehold)		116.04	-	116.04	-	-	-	-	116.04	-
Land & Building (Noida)	240.48	-	-	240.48	-	-	-	-	240.48	240.48
Building	3,078.60	239.42	-	3,318.02	585.99	54.16	-	640.15	2,677.87	2,492.61
Plant & Machinery	3,519.35	165.85	-	3,685.20	2,179.32	205.74	-	2,385.06	1,300.14	1,340.03
Plant & Machinery (Noida)	90.90	-	-	90.90	-	-	-	-	90.90	90.90
Furniture, Fixture and Fitting	1,137.08	134.10	-	1,271.18	792.05	115.50	-	907.55	363.63	345.03
Office & Other Equipments	99.84	6.56	-	106.40	22.04	5.30	(5.90)	33.24	73.16	77.80
Computers	173.74	4.64	-	178.38	88.54	28.63	-	117.17	61.21	85.20
Vehicles	735.07	84.27	172.04	647.30	312.27	82.22	121.81	272.68	374.62	422.80
<b>TOTAL - Current Year</b>	<b>9,674.37</b>	<b>750.88</b>	<b>172.04</b>	<b>10,253.21</b>	<b>3,980.21</b>	<b>491.55</b>	<b>115.91</b>	<b>4,355.85</b>	<b>5,897.36</b>	<b>5,694.16</b>
Previous Year	9,001.63	928.66	325.11	9,605.18	3,757.19	431.26	208.25	3,980.20		



## CHL LIMITED

	31/03/2012 No. of Units	31/03/2011 No. of Units	31/03/2012 Lac Rs.	31/03/2011 Lac Rs.
<b>13. LONG TERM INVESTMENTS</b>				
In Equity Shares - Others (Quoted & Fully Paid)				
Advani Hotels & Resorts (India) Ltd. Of Rs.2/- each	500	500	0.01	0.01
Asian Hotel (East) Ltd. Of Rs.10/- each	25	25	0.01	0.01
Asian Hotel (North) Ltd. Of Rs.10/- each	25	25	0.01	0.01
Asian Hotel (West) Ltd. Of Rs.10/- each	25	25	0.01	0.01
EIH Associate Hotels Ltd. Of Rs.10/- each	50	50	0.01	0.01
EIH Ltd. Of Rs.2/- each	75	75	0.02	0.02
Essar Steel Ltd of Rs. 10/- each	50,000	50,000	21.63	21.63
Hotel Leela Venture Ltd. Of Rs.2/- each	250	250	-	-
Indian Hotel Ltd. Of Rs.1/- each	100	100	0.02	0.02
ITC Ltd. Of Rs.1/- each	30	30	0.01	0.01
Jaiprakash Associates Ltd.of Rs. 2/- each	15	15	0.01	0.01
Morepen Laboratories Ltd. of Rs. 2/- each	5,000	5,000	0.75	0.75
Penta Media Graphics Ltd. of Rs. 1/- each	1,00,000	1,00,000	1.00	1.00
Reliance Power Ltd. Of Rs.10/-each	28,800	28,800	62.77	62.77
Royal Manor Hotels & Industries Ltd. Of Rs.10/- each	100	100	-	-
Sayaji Hotel Ltd. Of Rs.10/- each	100	100	-	-
HB state Developers Ltd of Rs. 10/-each	2,59,984	2,59,984	150.67	150.67
Taj GVK Hotels & Resorts Ltd of Rs.2/- each	10	10	0.03	0.03
			<b>236.96</b>	<b>236.96</b>
<b>In Equity Shares - Others (Unquoted &amp; Fully Paid)</b>				
Bharat Hotel Ltd. Of Rs.10/- each	150	15	0.01	0.01
KMAHP Pvt Ltd. Of Rs.10 each	100	100	0.01	0.01
Jagruti Hydro Power Pvt Ltd Of Rs.10/- each	1,000	1,000	0.10	0.10
Jaipur Stock Exchange of Rs. 10/- each	-	3,24,500	-	58.41
			<b>0.12</b>	<b>58.53</b>
<b>In Equity Shares (Unquoted, Fully Paid up)</b>				
<b>Associate Companies</b>				
CHL (South) Hotels Ltd of Rs.10/- each	1,00,000	1,00,000	10.00	10.00
			<b>10.00</b>	<b>10.00</b>
<b>In Mutual Funds (Unquoted, Fully Paid)</b>				
Osian Art Fund	1,00,000	1,00,000	10.00	10.00
Tajikistan Electricity Board Bond			0.30	0.30
			<b>10.30</b>	<b>10.30</b>
			<b>257.38</b>	<b>315.79</b>
<b>TOTAL</b>				
<b>AGGREGATE VALUE OF</b>	<b>Book Value</b>		<b>Market Value</b>	<b>Market Value</b>
Quoted Investments	236.96		114.19	193.03

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>14. Long Term Loans &amp; Advances</b>				
<b>Unsecured, considered good</b>				
- Capital Advances	19.62		149.01	
- Other advances	520.00		520.00	
- Intercorporate Deposit	10.00		10.00	
- Security Deposit	75.07		64.54	
<b>Other Loan &amp; advances</b>				
- Income Tax Refundable	377.20	1,001.89	353.58	1,097.13
<b>15. INVENTORIES</b>				
<b>(at cost or realisation value whichever is lower and as certified by the Management)</b>				
i) Chinaware, Glassware, Silverware, Linen etc	137.22		134.07	
ii) Kitchen Accessories	86.31		82.53	
iii) Provision, Food, Beverages etc.	133.04		99.22	
iv) General Stores and Project Store	1,203.56	1,560.13	201.78	517.60
<b>16. TRADE RECEIVABLES</b>				
<b>(Unsecured considered Good)</b>				
i) Outstanding for over Six Months	23.97		17.40	
ii) Others	360.01	383.98	513.76	531.16
<b>17. CASH AND BANK BALANCES</b>				
<b>Cash &amp; Cash Equivalents</b>				
i) Cash on Hand	47.01		12.17	
ii) Cheques/drafts in Hand	314.08		17.92	
iii) In current accounts	1,031.41		986.93	
<b>Other Bank Balances</b>				
iv) In Unpaid Dividend Account	24.06		23.74	
v) Scheduled Banks - Fixed Deposits maturing within 12 months of reporting date. (Ref Note No 33)	2,121.99	3,538.55	2,505.59	3,546.35
<b>18. SHORT TERM LOANS &amp; ADVANCES</b>				
<b>(Unsecured-considered good)</b>				
Advances recoverable in cash or kind or for value to be received considered good				
- Intercorporate Deposit	-		225.00	
- Other advances	49.36		174.65	
- Advances to Suppliers	4.76		151.72	
- Prepaid Expenses	123.33		118.73	
- Income Tax Recoverable	200.42	377.87	25.90	696.00
<b>19. OTHER CURRENT ASSETS</b>				
i) Interest accrued on Fixed Deposits	20.25		16.07	
Others - Unsecured, considered good				
ii) Claims receivable (Ref Note No 32)	19.50		-	
iii) Commission receivable	1.93	41.68	2.58	18.65





## CHL LIMITED

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>20. REVENUE FROM OPERATIONS</b>				
Sale of Product				
Wine & Liquor	365.70		388.36	
Food, Beverage & Smokes	2,025.96		1,855.32	
	<u>2,391.66</u>		<u>2,243.68</u>	
Less Excise Duty	3.73	2,387.93	3.38	2,240.30
Sale of Services				
Rooms	3,002.52		3,486.53	
Licence Fee	560.51		499.38	
Communications	45.01		59.40	
Other Operating Revenues	100.79		126.81	
Banquet Misc. Services	141.79	3,850.62	148.61	4,320.73
		<u>6,238.55</u>		<u>6,561.03</u>
<b>21. OTHER INCOME</b>				
Interest earned		325.71		307.76
Dividend Income - Long Term Investments		2.61		0.91
Foreign Currency transaction gain/(loss)		8.76		11.32
Scrap Income		11.21		7.04
Excess Provision & Other Income		75.97		47.90
Job Work Income		505.24		240.66
		<u>929.50</u>		<u>615.59</u>
<b>22. CONSUMPTION OF PROVISIONS, WINES &amp; SMOKES</b>				
<b>A. PROVISIONS, BEVERAGES &amp; SMOKES</b>				
Opening Stock	28.71		24.94	
Add: Purchases	642.04		610.97	
	<u>670.75</u>		<u>635.91</u>	
Less : Closing stock	30.31	640.44	28.71	607.20
<b>B. WINE &amp; LIQUOR</b>				
Opening Stock	70.51		61.69	
Add: Purchases	160.89		159.38	
	<u>231.40</u>		<u>221.07</u>	
Less : Closing Stock	102.74	128.66	70.51	150.56
		<u>769.10</u>		<u>757.76</u>
<b>23. PAYMENT TO AND PROVISION FOR EMPLOYEES</b>				
Salaries, Wages, Stipend & Bonus		1,238.55		1,185.35
Contribution to Provident, Gratuity & Other Funds		131.86		119.25
Employees Welfare Expenses		138.75		125.37
Recruitment & Training Expenses		2.98		5.02
		<u>1,512.14</u>		<u>1,434.99</u>

	As at 31st March 2012		As at 31st March 2011	
	Lac Rs.	Lac Rs.	Lac Rs.	Lac Rs.
<b>24. FINANCIAL EXPENSES</b>				
I) Interest on Term Loan		<b>290.54</b>		306.01
ii) Interest others		<b>182.66</b>		121.54
iv) Bank & Financial Charges		<b>12.60</b>		8.80
		<b>485.80</b>		<b>436.35</b>
<b>25. OPERATING AND GENERAL EXPENSES</b>				
Linen, Room Catering and other Supplies		<b>255.96</b>		250.87
Power & Fuel		<b>810.42</b>		718.83
Repairs : Machinery		<b>211.30</b>		147.37
Building		<b>124.18</b>		92.69
Others		<b>95.49</b>		100.47
Rent, Rates & Taxes		<b>198.86</b>		183.23
Insurance		<b>20.87</b>		17.22
Directors Sitting Fee		<b>10.60</b>		10.60
Telephone, Telex & Postage		<b>31.67</b>		29.86
Operational Expenses		<b>324.85</b>		331.20
Travelling & Conveyance - Directors		<b>45.37</b>		39.24
Travelling & Conveyance - Others		<b>112.67</b>		101.03
Legal & Professional Expenses		<b>38.44</b>		45.00
Marketing, Franchise & Technical Services		<b>14.32</b>		56.78
Advertisement & Publicity		<b>118.50</b>		77.25
Commission		<b>113.33</b>		106.70
Other Selling Expenses		<b>71.60</b>		52.52
Bad Debts		-		170.27
Loss on Investment		-		1.00
Loss on sale of Assets		<b>17.06</b>		0.59
Operating Equipments & Assets Written off		-		115.30
Job Work Expenses		<b>211.78</b>		200.79
		<b>2,827.27</b>		<b>2,848.81</b>
Legal & Professional expenses includes				
Payment to Auditors: As Audit Fee		<b>6.18</b>		6.07
For Other Services		<b>0.56</b>		0.55
<b>26. PROVISION FOR TAXES</b>				
- Provision for Income Tax		<b>289.55</b>		450.00
- Provision for Wealth Tax		<b>2.04</b>		2.68
- Provision for Deferred Tax		<b>38.01</b>		(114.19)
		<b>329.60</b>		<b>338.49</b>

**27. Contingent liabilities not provided for in respect of**

	<b>2011-2012 (Rs. in lacs)</b>	2010-2011 (Rs.in lacs)
i) Demands / Claims not acknowledged as debt or which are under litigation	10.00*	335.00*
ii) Bank Guarantees furnished	22.00	22.00
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	299.65	438.95

\* includes claim against which Security deposit for Rs. 6.08 lacs given to High Court.

**28. MICRO AND SMALL ENTERPRISES**

The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to the amounts unpaid at the year end with interest paid / payable under this Act has not been given.

**29.** No depreciation has been provided on building, plant and machinery in NSEZ Noida as the same has not been put to use.

**30.** Lease rental not provided in the financial statements in respect of :

- a. NSEZ Noida land-Amount not determined
- b. Jaipur (Rajasthan) land-Rs. 47.21 Lacs ( previous year Rs. 23.61 lacs)

**31.** Estimated amount of contracts remaining to be executed on capital account, net of advances:

In respect of the Company Rs. NIL (previous year Rs. 63.40 Lacs)

In respect of subsidiary Rs. 2500 lacs (previous year Rs. 562.55 Lacs)

**32.** The amount represents the expenditure incurred till the year end on repair of assets damaged due to fire. The value of the claim lodged with the insurance company for the loss suffered in fire is Rs.53.40 Lacs, which amount has not been approved till the balance sheet date.

**33.** Debts due to or by the company, in some cases are unconfirmed and/or under reconciliation. In the opinion of the management the impact of adjustment on reconciliation is not likely to be significant.

**34.** In the opinion of the management, the assets of the company have a value on realization, in the normal course of business, at least equal to the amounts stated in the balance sheet.

**35.** The Fixed Deposit consists of pledged with:

- i) Statutory Authorities - Rs.3.15 lacs;
- ii) Banks against bank guarantee – Rs. 22.00 lacs; and
- iii) Banks against overdraft facilities – Rs. 2096.84 lacs.

**36.** The Company has given corporate guarantee and created second charge on its fixed assets in favour of Export Import Bank of India against Term Loan of USD 180.00 Lacs granted by the bank to its subsidiary.

**37. EMPLOYEES BENEFITS****Defined Contribution Plans**

Company's contributions in respect of provident fund, family pension fund, employees state insurance and gratuity are included in "contributions to provident, gratuity and other funds in Schedule 11 hereof.

**Defined Benefit Plans**

In accordance with Accounting Standard 15, Company's liability for compensated absences (on account of leave encashment benefit) on actuarial valuation was performed based on following assumption.

	<b>2011-12</b>	<b>2010-11</b>
<b>I. Assumptions :</b>		
Discount Rate	<b>8.00 %</b>	8.00 %
Rate of increase in Compensation levels	<b>6.00 %</b>	6.00 %
Superannuation age	<b>58 yrs</b>	58 yrs
Mortality		
<b>II. Table Showing Change in Benefit Obligation :</b>		
Projected Benefit Obligations (PBO) at the beginning of the year	<b>63.89</b>	80.49
Interest Cost	<b>4.60</b>	6.12
Service Cost	<b>7.81</b>	8.28
Benefits paid	<b>(12.70)</b>	(7.93)
Actuarial (gain) loss on obligations	<b>(0.83)</b>	(23.07)
PBO at the end of the year	<b>62.77</b>	63.89
<b>III. Tables of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	<b>12.70</b>	7.93
Benefits paid	<b>(12.70)</b>	(7.93)
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets	-	-
At the end of the year	-	-
<b>IV. Tables of change in Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions/Transfers	<b>12.70</b>	7.93
Benefits paid	<b>(12.70)</b>	(7.93)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-
<b>V. Funded Status</b>	<b>(62.77)</b>	(63.89)
<b>VI. Limits of Corridor not considered since total actuarial gain/loss is being recognized</b>		
Actuarial gain/(loss) for the year – Obligation	<b>0.83</b>	23.07
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	<b>0.83</b>	23.07
Actuarial (gain)/loss recognized	<b>(0.83)</b>	(23.07)
Unrecognized actuarial gains (losses) at the end of the year	-	-
<b>VII. The Amounts to be recognized in Balance Sheet and Income Statement and the related analysis</b>		
Present Value of Obligation	<b>62.77</b>	63.89
Fair value of Plan Assets	-	-
Difference	<b>62.77</b>	63.89
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	<b>62.77</b>	63.89
<b>VIII. Net Periodic Cost</b>		
Current Service Cost	<b>7.81</b>	8.28
Interest Cost	<b>4.60</b>	6.12



## CHL LIMITED

Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	(0.83)	(23.07)
Expenses Recognised in the Income Statement	(11.58)	(8.67)

### IX. Movements in the liability recognised in the Balance Sheet:

Opening Net Liability	63.89	80.49
Expense as above	11.58	(8.67)
Contributions/Transfers	(12.70)	(7.93)
Closing Net Liability	62.77	63.89

38. AS-17 on Segment Reporting is not applicable as the company is engaged only in hotel business and at one location. The subsidiary is engaged in the business of civil job works as the completion of the construction of hotel cum commercial complex at Dushanbe is under progress.

39. Contribution to Political party: Rs. 0.11 lacs (Previous Year Rs. 0.21 lacs)

### 40. Related party transactions

- Subsidiary Company	CHL International
- Associate Companies	CHL (South) Hotels Limited
- Key Management Personnel	Dr. L.K.Malhotra Managing Director Mr. Luv Malhotra Executive Director Mr. Gagan Malhotra Whole Time Director
- Entities controlled by Directors or their relatives	Kyjol Projects Pvt Ltd. Mela Hotels Limited Sankalp Portfolio Investments Pvt Ltd. United Exports Ultima Leasing & Financing

Sr. no	Name of Party	Nature of Transaction	Transaction value	Bal. as on 31.03.2012*	Bal. as on 31.03.2011*
a)	United Exports	Purchase of goods	14.72	(1.40)	(2.90)
b)	Mohan Meakin Ltd	-do-	0.32	NIL	(0.06)
c)	CHL International	- Unpaid Calls	-	(291.74)	(416.12)
		- Investment	-	3632.32	3632.32
d)	Kyjol Projects Pvt Ltd	Sale of vehicle	9.00	NIL	NIL
e)	Ultima Leasing & Financing	Advance	25.50	NIL	NIL

\* FIGURES IN BRACKET INDICATE PAYABLE

### 41. Managerial Remuneration to Directors

Particulars	2011-12	2010-11
Salary & Allowances	126.00	126.00
Contribution to P.F.	8.64	8.64
Other benefit/perquisites	3.80	3.80
Commission to Directors	NIL	NIL
Sitting Fee to other Directors	6.80	6.80

<b>42.</b>	<b>Earnings Per share</b>		
	<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
	Profit after Taxation	<b>1088.61</b>	928.95
	Weighted average number of equity share outstanding	<b>109.64</b>	109.64
	Basic & Diluted earnings per share in rupee (face value Rs. 10/- per share)	<b>9.92</b>	8.36
<b>43.</b>	<b>Details of Consumption &amp; Purchase</b>		
	The company is not required to give quantitative and value wise information in respect of, consumption; turnover, stock etc. as the same is exempted vide circular No. SO301(E) dated 08-02-2011 issued by Ministry of Corporate Affairs, Government of India.		
<b>A.</b>	<b>C.I.F. Value of Imports</b>		
	a) Food & Beverage	<b>Nil</b>	Nil
	b) Wine & Liquor – through canalizing agencies	<b>53.72</b>	65.55
	c) Components, spare parts and stores	<b>0.89</b>	17.91
	d) Capital Goods	<b>44.61</b>	185.22
<b>B.</b>	<b>Expenditure in Foreign Currency – on payment basis</b>		
	i. Technical Services	<b>32.85</b>	71.67
	ii. Others	<b>60.87</b>	73.44
<b>C.</b>	<b>Earning in Foreign Exchange – on receipt basis</b>		
	On account of hotel services	<b>1600.17</b>	2088.42
<b>D.</b>	<b>Remittance in Foreign Currency on account of Dividend to non resident shareholders</b>		
	The particulars of dividend remitted, including to Non Resident External Account (NRE) are given below:		
	<b>Final Dividend</b>	<b>Current Year</b>	<b>Previous Year</b>
	1. No. of Non Resident shareholders	<b>141</b>	139
	2. No. of equity shares held by them	<b>92.29</b>	88.37
	3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	<b>96.86</b>	96.86
	4. Amount of Rupees (in lakhs) remitted to banks in India.	<b>41.57</b>	35.68
	5. Year to which Relates	<b>2010-11</b>	2009-10
	<b>Interim dividend</b>		
	1. No. of Non Resident shareholders	<b>132</b>	138
	2. No. of equity shares held by them	<b>88.30</b>	88.34
	3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	<b>64.57</b>	96.86
	4. Amount of Rupees (in lakhs) remitted to banks in India.	<b>23.72</b>	35.64
	5. Year to which Relates	<b>2011-12</b>	2010-11
<b>44.</b>	Amount transferred to investor education and protection fund as required under section 205 C of the Companies Act as Rs. 1.56 lacs (Previous Year Nil)		
<b>45.</b>	<b>A.</b> Out of “Income Tax Refundable”, Rs. 172.82 Lacs has been adjusted against the disputed demands of taxes for earlier years, which demands are in appeals.		
	<b>B.</b> As against the current tax of Rs. 291.59 Lacs, taxes paid/deducted at source till the year end amounted to Rs. 492.01 Lacs, resulting in refundable of Rs. 200.42 lacs.		
<b>46.</b>	Previous year’s figures have been regrouped and rearranged wherever necessary to make it comparable with the Current Years figures. All figures have been rounded off to nearest lac rupee.		



# CHL LIMITED

## 47. Balance Sheet abstract and Company's General Business profile

### a. Registration Details

CIN No.	L55101DL1979PLC009498
State Code	55
Balance Sheet Date	31.03.2012

### b. Capital raised during the year

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

### c. Position of mobilization and deployment of funds

Total Liabilities	20558.22
Total Assets	20558.22

#### SOURCE OF FUNDS

Paid-up Capital	1096.37
Minority Interest	1553.67
Reserve & Surplus	7725.49
Non- Current Liabilities	7140.53
Current Liabilities	3042.16

#### APPLICAION OF FUNDS

Net Fixed Assets	13396.74
Non Current Investments	257.38
Long Term Loans & Advances	1001.89
Current Assets	5902.21

### d. Performance of the Company

Turnover	7168.05
Total Expenditure	6079.44
Profit / (Loss) before Tax	1088.61
Profit / (Loss) after Tax	749.59

### e. Generic names of three Principal products / services of the Company (as per monetary terms)

Items Code (ITC Code)	NA
Product Description	Hotel Business

As per our report of even date attached

For and on behalf of the Board of Directors

**for G. Rai & Co.**  
Chartered Accountants  
Reg. No. 001479N

**LUV MALHOTRA**  
Executive Director

**Dr. L. K. MALHOTRA**  
Chairman & Managing Director

**Gulshan Rai**  
Partner  
Membership No. 3921

**N.K. GOEL**  
Vice President Finance

**G. J. VARADARAJAN**  
Company Secretary

**New Delhi**  
**Date : 9th August, 2012**

*If undelivered please return to :*



**CHL LIMITED**

HOTEL THE SURYAA

NEW FRIENDS COLONY

NEW DELHI - 110 025