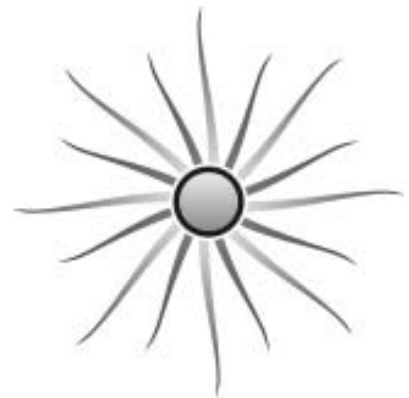




CHL LIMITED

**ANNUAL REPORT
2012 - 2013**



THE
SURYAA
NEW DELHI

**34th Annual General Meeting**

Date	:	25th September, 2013
Day	:	Wednesday
Time	:	11.30 AM
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 - Executive Director
Mr. Subhash Ghai
Mr. Luv Malhotra - Joint Managing 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 Auditors

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, 3rd 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>

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CHL International

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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the members of CHL Limited will be held on **Wednesday, the 25th day of September, 2013 at 11.30 a.m.** at the Registered Office of the Company at Hotel The Suryaa, 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 2013 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 31.03.2013.
3. To appoint a Director in place of Mr. R. C. Sharma who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. K. Malhotra who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. O. P. Bajaj who retires by rotation and being eligible, offers himself for re-appointment.
6. 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

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

Resolved that subject to the provisions of Section 198, 269 and 309 and other applicable provisions of the Companies Act, 1956, Mr. Luv Malhotra, be and is hereby reappointed for a period of three years as Joint Managing Director commencing from 22nd September, 2013 to 21st September, 2016. The payment of remuneration and perquisite to him as follows:

Overall Remuneration :

Subject to the provisions of Section 198, 269 and 309 and other applicable provisions of the Companies Act, 1956 and modification/amendments thereof, if any, the remuneration payable to Managing Director, Joint Managing Director and Executive Director of the company, in any financial year shall not exceed 10% (ten percent) of the net profit of the Company for all of them together. Subject to Schedule XIII of the Companies Act, 1956, in any financial year during the tenure of Mr. Luv Malhotra, if the Company has no profit or its profits are inadequate, the remuneration payable to Mr. Luv Malhotra, Joint Managing Director of the Company shall be as under:

Basic Salary	Rs. 2,00,000 per month
House Rent Allowance	Accommodation with amenities such as Gas, Electricity, Water, House Furnishing and Repairs, the aggregate monetary value of which being limited to 60% of basic salary per month for the purpose of which limit, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such Rule, Perquisites shall be evaluated at actual cost.
Miscellaneous allowances	Rs. 30,000 per month
Commission	To be paid within the overall limit of the net profit in a financial year computed in the manner laid down under Section 349 of the Companies Act 1956.
Car & Telephone	Company's car with driver for Company's business. Official telephone facility at residence. Personal long distance telephone calls shall be billed by the company.



Provident Fund, Gratuity and Encashment of Leave

Company's contribution to Provident Fund, Gratuity, Encashment of Leave at the end of the tenure to the extent these either singly or together are not taxable under the Income Tax Act, shall not be included in the computation of limits for the remuneration or perquisites purpose.

Resolved Further that the Board of Directors, be and are hereby, specifically authorized to, at any time, alter at any time and vary the terms and conditions of the remuneration to be paid in the absence or inadequacy of profits, in such a manner but so as not to exceed the limits as specified in Schedule XIII read with Section 198, 309 and other applicable provisions if any of the Act or any other amendment thereto or re-enactments thereof.

Resolved Further that the Board of Directors of the Company, be and are hereby, authorized to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Resolved that subject to the provisions of Section 198, 269 and 309 and other applicable provisions of the Companies Act, 1956, consent of the Members be and is hereby accorded to the reappointment of Mr. Gagan Malhotra as an Executive Director for a period of three years commencing from 1st April, 2013 to 31st March, 2016 and payment of remuneration and perquisite to him as follows:

Overall Remuneration:

Subject to the provisions of Section 198, 269 and 309 and other applicable provisions of the Companies Act, 1956 and modification/amendments thereof, if any, the remuneration payable to Managing Director, Joint Managing Director and Executive Director of the company, in any financial year shall not exceed 10% (ten percent) of the net profit of the Company for all of them together. In any financial year during the tenure of Mr. Gagan Malhotra, if the Company has no profit or its profits are inadequate, the remuneration payable to the Executive Director shall be as per Schedule XIII of the Companies Act, 1956.

Within the aforesaid ceiling, the remuneration payable to Mr. Gagan Malhotra shall be as under:

Basic Salary	Rs. 2,00,000 per month
House Rent Allowance	Accommodation with amenities such as Gas, Electricity, Water, House Furnishing and Repairs, the aggregate monetary value of which being limited to 60% of basic salary per month for the purpose of which limit, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost.
Misc. Allowances	Rs.30,000 per month
Car & Telephone	Company's car with driver for Company's business. Official telephone facility at residence. Personal long Distance telephone calls shall be billed by the company.

Provident Fund, Gratuity and Encashment of Leave

Company's contribution to Provident Fund, Gratuity, encashment of leave at the end of the tenure to the extent these either singly or together are not taxable under the Income Tax Act, shall not be included in the computation of limits for the remuneration or perquisites purpose.

Resolved Further that the Board of Directors be and is hereby specifically authorized to alter at any time and vary the terms and conditions of the remuneration to be paid in the absence or inadequacy of profits, in such a manner but so as not to exceed the limits as specified in Schedule XIII read with Section 198, 309 and other applicable provisions if any of the Act or any other amendment thereto or re-enactments thereof.

Resolved Further that the Board of Directors of the Company, be and are hereby, authorized to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.

By Order of the Board

**G.J. Varadarajan
Company Secretary**

Place : New Delhi
Date : 14th August, 2013

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 17th September, 2013 to 25th September, 2013 (both days inclusive).
3. Members whose name appears as on 16th September, 2013 in the Register of Members after giving effect to all valid share transfers which are lodged with the Registrar and Share Transfer Agent before 17th September, 2013, and as Beneficial Owner at the end of the Business hours on 16th September, 2013 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 (Final Dividend), 2006-07 (Interim and Final Dividend), 2007-08 (Interim and Final Dividend), 2008-09 (Interim and Final Dividend), 2009-10 (Interim and Final Dividend), 2010-11 (Interim and Final Dividend), 2011-12 (Interim & Final Dividend) and 2012-13 (Interim Dividend) which remain unpaid or unclaimed for a period of 7 years in the Unpaid Dividend Account for the respective financial year of the Company need 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. Final Dividend pertaining to the financial year 2005-2006 is being transferred to Investors Education and Protection Fund in the last week of September, 2013. As such it will not be possible to entertain dividend claim after August, 2013.
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 31.03.2013 may visit the company's website 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.

Item No. 7

In the 32nd Annual General Meeting of the Company Mr. Luv Malhotra was appointed as Executive Director for a period of three years w.e.f. 22.09.2010 to 21.09.2013. It is desired to reappoint him for a further period of three years from 22.09.2013 to 21.09.2016. His designation was changed from Executive Director to Joint Managing Director of the Company by the Board of Directors of the Company in their meeting held on 01.05.2013. Further, in the Board Meeting held on 14.08.2013, he has been reappointed as Joint Managing Director for a period of three years w.e.f. 22.09.2013 to 21.09.2016, subject to the approval of shareholders in the ensuing Annual General Meeting.

He has an experience of over 14 years in the hospitality industry. He oversees the day-to-day operations and strategic planning of the Company. He holds the position of Vice President in Hotel & Restaurant Association of Northern India. His remuneration has been recommended by the Remuneration Committee.

No other Directors except Mr. Luv Malhotra and Dr. L. K. Malhotra are interested in the resolution.

The Explanatory Statement together with the accompanying Notice is to be treated as the relevant abstracts of the terms of remuneration under section 302 of the Companies Act, 1956.



Item No. 8

In the 32nd Annual General Meeting of the Company, Mr. Gagan Malhotra was appointed as Whole Time Director for a period of three years w.e.f 01.04.2010 to 31.03.2013. Since his tenure was expiring on 01.04.2013, in the Board Meeting held on 08.02.2013, he was reappointed as Whole Time Director of the Company for a period of three years w.e.f. 01.04.2013 to 31.03.2016 subject to the approval of shareholders in the ensuing Annual General Meeting. Further in the Board Meeting held on 01.05.2013, his designation was changed from Whole Time Director to Executive Director w.e.f. 01.05.2013.

His remuneration is recommended by the Remuneration Committee.

He has been rich professional experience of over two decades spanning FMCG Distribution, Logistics, Agri Commodities as well as Project and Operational Management. He has an expertise in business development, planning and strategic market plan execution.

No other Directors except Mr. Gagan Malhotra are interested in the resolution.

The Explanatory Statement together with the accompanying Notice is to be treated as the relevant abstracts of the terms of remuneration under section 302 of the Companies Act, 1956.

By Order of the Board

**G.J. Varadarajan
Company Secretary**

Place : New Delhi

Date : 14th August, 2013

DIRECTORS' REPORT

TO THE MEMBERS OF CHL LIMITED

Your Directors are pleased to present their 34th Annual Report together with the Audited Accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS AND OPERATIONAL PERFORMANCE

Particulars	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Total Income		
Sales	5590.41	6238.55
Other Income	283.47	424.26
Less: Total Expenses (Inclusive of exceptional items)	<u>4275.31</u>	<u>4906.15</u>
Gross Profit before Interest, Depreciation and Tax	1598.57	1756.66
Less : Financial Charges	375.76	485.80
Depreciation	<u>474.36</u>	<u>485.13</u>
	<u>850.12</u>	<u>970.93</u>
Profit Before Tax	748.45	785.73
Less: Provision for Tax	<u>243.99</u>	<u>329.60</u>
Net Profit after Tax	504.46	456.13
Add : Profit brought forward from last year	<u>4372.95</u>	<u>4251.67</u>
Profit available for appropriation	4877.41	4707.80
APPROPRIATIONS		
Transferred to General Reserves	80.00	80.00
Proposed Dividend on equity shares including interim dividend	219.27	219.28
Tax on Dividend	35.57	35.57
Balance carried to Balance Sheet	<u>4542.57</u>	<u>4372.95</u>

Sales and other incomes for the year under review at Rs. 5873.88 lacs is lower than that of the previous year at Rs. 6662.81 lacs by 11.84%.

Operating profit before depreciation, finance charges and tax at Rs. 1598.57 lacs for the year under review as compared to Rs. 1756.66 lacs for the previous year, is lower by 8.99 %.

Net Profit after providing tax for the year under review is Rs. 504.46 lacs as compared to Rs. 456.13 lacs for the previous year, thus increased by 10.59% over the previous year. This was possible by containing the input cost and other expenses during year under review.

**2. BUSINESS REVIEW**

The Hotel industry overall was not able to meet its revenue targets due to economic slowdown, companies cutting their travel budgets, decrease in inbound and domestic traffic.

In 2012-13, the inbound tourism suffered due to adverse economic effect, and high taxes.etc. The industry is unhappy with the government policies, as the hospitality industry is being highly over taxed. The multiple taxes which have been imposed by the government have created a hurdle for inbound tourism.

The coming year is full of scope for the hospitality industry. The government is planning to launch a new chapter of Inland Waterways Authority of India, where cruise tourism in India will be promoted. As cruise tourism is regularly gaining popularity among the Indian as well as foreign tourists, we can explore this opportunity. In the coming year our economy should regain a trajectory of high growth and outlook for the company is expected to grow.

3. DIVIDEND

The Board has already declared an interim dividend @ Rs. 1.00 per equity share in the Board Meeting held on 08.02.2013 for the financial year ended 31.03.2013.

The Board further recommended a Final Dividend @ Rs. 1.00 per equity share in respect of the Financial Year under review in the Board Meeting held on 30.05.2013.

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 254.84 lacs including Corporate Dividend Tax.

4. DIRECTORS

Mr. R. C. Sharma, Mr. A. K. Malhotra and Mr. O. P. Bajaj, 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. Luv Malhotra, whose tenure is expiring on 21.09.2013, is being re-appointed as Joint Managing Director of the Company w.e.f. 22.09.2013 to 21.09.2016 for a period of three years.

Mr. Gagan Malhotra, whose tenure expired on 31.03.2013, is being re-appointed as Executive Director of the Company w.e.f. 01.04.2013 to 31.03.2016 for a period of three years.

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 Tajikistan. The Hotel is under final phase of completion in respect of roadwork. Guest Rooms, Public Areas, Back of House etc. The operation of the Hotel is expected to commence soon under the name 'Sheraton Dushanbe'.

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.

7. CONSOLIDATION OF FINANCIAL STATEMENT

The duly audited consolidated financial statement as required under the Accounting Standard 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.

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 (Particulars 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 findings 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 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 regularly placed before the Audit Committee for their review and for recommendation to the Board.

14. 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.

15. 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. 1570.42 lacs (previous year Rs. 1600.17. lacs) and used foreign exchange to the extent of Rs. 77.18 lacs (previous year Rs. 138.82 lacs).

16. 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

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

Place: New Delhi

Date : 14th August, 2013

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

1.	Name of the Subsidiary Company	CJSC CHL International (incorporated at Tajikistan Ministry of Justice of Republic of Tajikistan)
2.	The financial year of the Subsidiary Company ended on	31.03.2013
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 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, 2013	Rs. 57.82 lacs
	(ii) for prior years since becoming subsidiary.	Rs. 205.42 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, 2013	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. 90.50 lacs
	(ii) Capital Work in Progress	Rs. 12821.19 lacs
	(b) The subsidiary's Investments	Rs. 0.34 lacs
	(c) Long Terms Loans & Advances	Rs. 442.52 lacs
	(d) The money lent by Exim Bank	Rs. 9515.30 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 2013.

S. No.	Particulars	Rs in lac
1.	Share Capital	5093.56
2.	Reserves and Surplus	440.71
3.	Secured Loans	9515.30
4.	Current Liabilities	360.16
	Total	15409.73
5.	Fixed Asset	
	(i) Tangible Assets	90.50
	(ii) Capital Work in Progress	12821.19
6.	Investments	0.34
7.	Long Term Loans and Advances	442.52
8.	Current Asset	2055.18
	Total	15409.73
9.	Profit before Tax (from other income)	82.60

For and on behalf of the Board

Dr L.K. Malhotra
Chairman & Managing Director

Place : New Delhi
Date : 14th August, 2013

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

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, management and the board of directors. Other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, the environment and the community at large. 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 Board of Directors play big role in any Company and they conduct the day-to-day affairs of the Company. Company is a legal personality and our Board of Directors acts as its body and mind and is authorized to do what the company is authorized to do, unless barred by restrictions on their power by the provisions of the Companies Act. The shareholders cannot themselves usurp the powers, which by Articles are vested in the directors. Thus the relationship of Board of Directors with the shareholders is more of a federation than that one of subordinate and superior.

Your Board has capabilities within themselves and their organizations that allow them to do both, protect existing assets (compliance role), as well as, manage to grow in time.

As per Section 275 of the Companies Act, 1956, none of the Director is a Director in more than 15 Companies and is 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 2013, the Company has nine Members on the Board. Dr. L.K. Malhotra, Chairman & Managing Director, Mr. Luv Malhotra, Joint Managing Director and Mr. Gagan Malhotra, Executive 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
Executive				
Dr. L.K. Malhotra	Chairman & Managing Director	4	1	3
Mr. Luv Malhotra	Joint Managing Director	1	Nil	Nil
Mr. Gagan Malhotra	Executive Director	Nil	Nil	Nil
Non Executive Non-Independent				
Mr. D.V Malhotra	Director	Nil	Nil	Nil
Mr. A.K. Malhotra	Director	1	Nil	Nil
Non Executive Independent				
Mr. O.P. Bajaj	Director	Nil	Nil	Nil
Mr. Subhash Ghai	Director	3	Nil	Nil
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 2013, 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 69 years has a vast experience spanning 48 years in various fields of business. He started his career with M/s. A.N. Malhotra & Sons, Kuwait which was engaged in the trading of consumer products. During his tenure in the company as a part of the company's management, he was responsible for the Sales & Marketing Division of the firm. After a rich experience in various business, trades in Kuwait, he shifted to India in 1985 and joined CHL Limited in the capacity of Managing Director. In 1991, with the break-up of the Soviet Union and the formation of various countries, commonly known as Commonwealth of Independent States or CIS, he took an active interest in promoting the relationship between India and Tajikistan. He was instrumental in arranging a high level inter-governmental dialogue between India and Tajikistan. During that period, he served as the Honorary Consul General of Tajikistan in India from 1994 to 2003. Dr. Malhotra holds an Honorary Ph.D. in Business Management and is the Secretary for the Indo-Kuwait NRI Forum, President of the Forum for a Better Delhi. He held the position of President of PHD. Chamber of Commerce & Industry. He is the President and Chairman of the Mataji Melan Devi Society Charitable Trust (Regd.) and also a Trustee Member of the Swami Ram Tirath Mission, Dehradun. He holds the position of Directorship in various companies.

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

Mr. D.V. Malhotra aged 74 years is a Non-Resident Indian based in Kuwait and is one of the prominent business leaders of Indian origin in that Country. He is widely recognized within the business community in Kuwait and serves as the Managing Director of Al Zahem & Malhotra General Trading Company WLL, Kuwait.

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

Mr. A. K. Malhotra, aged 64 years, is a hotelier and has an experience of more than two decades in the field of Hospitality Industry. He is the Managing Director of M/s Mela Hotels Limited.

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

Mr. O.P. Bajaj aged 79 years is a Non-Resident Indian of repute based in Bangkok, Thailand. He has a vast experience in the field of hospitality and is a well known Industrialist in Bangkok where he owns three Five Star Hotels.

5. **Mr. Subhash Ghai**

Mr. Subhash Ghai, aged 70 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 40 years holds an M.Sc. degree in Economics from the University of Buckingham. He has vast experience of over 15 years in the hospitality industry. He oversees the day-to-day operations and strategic planning of the Company and holds the position of Joint Managing Director of the Company. He is the Vice President of Hotel & Restaurant Association of Northern India.

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

Mr. R. C. Sharma, aged 73 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 technology.

8. **Mr. Gagan Malhotra**

Mr. Gagan Malhotra aged 45 years is a B.Sc. from the University of Michigan, Ann Arbor, USA. He has a rich professional experience of over two decades spanning FMCG Distribution, Logistics, Agri Commodities as well as Project and Operational Management. He has an expertise in business development, planning and strategic market plan execution. He joined the company as Vice President (Corporate Development) in 2007 and was appointed as Whole Time Director in the year 2010. He is involved in the business development and corporate strategy of the company. Now he holds the position of Executive Director of the Company.

9. **Mr. Lalit Bhasin**

Mr. Lalit Bhasin aged 45 years is a B.Com from Sri Ram College of Commerce, Delhi. He serves as Partner at Bhasin & Co. as well as the Chairman of H.B. Estate Developers, H.B. Portfolio Limited, H.B. Stock Holdings Ltd. He holds numerous Directorships in other companies and has a vast experience and well known in the field of financial services industry. He is the President of HB Charitable Trust.

**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. R.C Sharma	73 years	23.09.2011	1. Sir Shadilal Enterprises Ltd. 2. HB Portfolio Ltd. 3. PCI Ltd. 4. Indsec Securities & Finance Ltd 5. Security And Intelligence Services (India) Limited. Audit Committee : 1. Sir Shadilal Enterprises Ltd. 2. PCI Ltd. Remuneration Committee 1. Sir Shadilal Enterprises Ltd. 2. HB Portfolio Ltd. 3. PCI Ltd. Investors' Grievances Committee 1. PCI Ltd
Mr. A.K. Malhotra	64 years	23.09.2011	1. Mela Hotels Ltd. - MD 2. Malbros Farms 3. Vatsal Food's Processing Industries Pvt. Ltd.
Mr. O.P. Bajaj	79 years	23.09.2011	NIL
Mr. Subhash Ghai	70 Years	25.09.2012	1. Mukta Arts Limited - Chairman & MD 2. Whistling Woods International Limited 3. Connect 1 Ltd 4. Mukta Tele Arts Pvt. Ltd. 5. Coruscant Tec Pvt. Ltd.
Mr. D.V. Malhotra	74 Years	25.09.2012	Nil
Mr. Lalit Bhasin	45 years	25.09.2012	1. HB Leasing & Finance Co. Ltd. 2. HB Stockholdings Ltd. 3. HB Portfolio Ltd. 4. HB Estate Developers Ltd. 5. RRB Securities Ltd. 6. Taurus Asset Management Co. Ltd. 7. Har Sai Investments Ltd. 8. HB Securities Ltd. 9. RRB Master Securities Delhi Ltd. 10. CHL (South) Hotels Ltd 11. Raja Ram Bhasin Share & Stock Brokers Ltd. 12. Bhasin Share & Stock Brokers Ltd. 13. AHL Hotels Ltd. 14. Mansingh Hotels & Resorts Ltd. 15. HB Financial Consultants Pvt. Ltd. 16. HBB Properties Pvt. Ltd. 17. RRB House Finance Pvt. Ltd. 18. Pal Properties (India) Pvt. Ltd. 19. ALMR Gem & Trading Pvt. Ltd. 20. Gazala Promoters & Developers Pvt. Ltd. Audit Committee 1. HB Leasing & Finance Co Ltd - Member 2. Mansingh Hotels & Resorts Ltd - Member Investors' Grievances Committee 1. RRB Securities Ltd - Member 2. HB Leasing & Finance Co Ltd - Member

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

DETAILS OF NON RETIRING DIRECTORS

Name of Directors	Age	Date of last Re-Appointment in the AGM w.e.f.	List of other Companies in which Directorship held* including other Board/Committee members
Dr. L. K. Malhotra Chairman & Managing Director	69 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. Audit Committee: 1. Mohan Meakin Ltd. - Chairman 2. Taurus Investment Trust Co. Ltd. Remuneration Committee: Mohan Meakin Ltd. - Chairman Investors' Grievances Committee: Mohan Meakin Ltd. - Chairman
Mr. Luv Malhotra Joint Managing Director	40 years	22.09.2010	1. Kyjol Projects Pvt. Ltd. 2. CHL (South) Hotels Ltd. 3. Sunkalp Portfolio Investments Pvt. Ltd.
Mr. Gagan Malhotra Executive Director	45 years	01.04.2010	Rache Overseas Pvt. Ltd.

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

DETAILS OF BOARD MEETINGS

During the year ended on 31st March 2013, five Board Meetings were held.

S. No.	Date of Meeting	Board Strength	Number of Directors Present
1.	09.05.2012	9	8
2.	09.08.2012	9	9
3.	25.09.2012	9	9
4.	10.11.2012	9	7
5.	08.02.2013	9	8

ATTENDANCE IN BOARD MEETING

Attendance of Directors at the Board Meetings held during the financial year ended 31st March, 2013 and at the 33rd Annual General Meeting held on 25th September, 2012 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	2	Yes
6.	Mr. Luv Malhotra	5	Yes
7.	Mr. R.C Sharma	5	Yes
8.	Mr. Gagan Malhotra	5	Yes
9.	Mr. Lalit Bhasin	5	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 AUDIT COMMITTEE MEETINGS HELD

During the year ended 31st March 2013, four Audit Committee Meetings were held.

S. No.	Date of Meeting	Audit Committee Strength	Number of Directors Present
1.	09.05.2012	4	4
2.	09.08.2012	4	4
3.	10.11.2012	4	4
4.	08.02.2013	4	4

ATTENDANCE IN AUDIT COMMITTEE MEETING

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	4

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.

DETAILS OF REMUNERATION COMMITTEE MEETINGS HELD

During the year ended 31st March 2013, one Remuneration Committee Meeting was held.

S. No.	Date of Meeting	Remuneration Committee Strength	Number of Members Present
1.	08.02.2013	3	2

ATTENDANCE IN REMUNERATION COMMITTEE MEETING

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

INVESTORS/SHAREHOLDERS GRIEVANCES COMMITTEE

Following are the members of the Committee

Members of Investors/Shareholders Grievances Committee	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 2013. The Company furnishes necessary documents/information to Shareholders.

The Company received 20 complaints from shareholders during the year which interalia included non receipt of Annual Report, Transfer/Transmission of Shares and past years' dividend. The grievances were duly attended and the Company has furnished necessary documents/information to the shareholders. No grievances were pending at the year end.

Sitting Fees

Sitting Fees paid to Non-executive Directors during the year under review is as under:

Name of Directors (Non-Executive)	Sitting Fees (Rs. in lac)
Mr. D.V Malhotra	0.80
Mr. O.P. Bajaj	2.00
Mr. A.K. Malhotra	1.00
Mr. Subhash Ghai	0.40
Mr. R.C Sharma	1.80
Mr. Lalit Bhasin	2.00

Sitting fees 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, Joint Managing Director	1.80
Mr. Gagan Malhotra, Executive Director	1.00

The Company did not have any pecuniary relationship or transactions with the Non Executive Directors/Executive Directors during the financial year 2012-2013.

Remuneration paid to working Directors is as under:

Name of Directors	Salary & Allowance	(Rs. in Lac)
		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

Last three Annual General Meetings were held at Hotel The Suryaa, New Friends Colony, New Delhi 110025 on 21.09.2010, 23.09.2011 and 25.09.2012 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 2012-2013. 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, Chairman & 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, 2013 was placed before the Board of Directors of the Company in its meeting held on 14th August, 2013.

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.

Dr. L.K. Malhotra
Chairman & Managing Director

Place: New Delhi

Date: 14th August, 2013

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). In case the members are desirous of getting the Annual Reports in physical form, they may send their request to the company.

SHAREHOLDERS INFORMATION

34th Annual General Meeting Date, Time and Venue	25th September, 2013, at 11.30 a.m. at Hotel The Suryaa New Friends Colony, New Delhi 110025
Financial Calendar for 2013-14 (Tentative)	Adoption of Quarterly Results
For the Quarter ending June 2013	1st /2nd week of August 2013
September 2013	November 2013
December 2013	February 2014
March 2014	May 2014
Book Closure Dates	17th September, 2013 to 25th September, 2013 (Both days inclusive)
Final Dividend Payment	Members whose names appear as on 16th Sept, 2013 in the Register of members and as Beneficial Owner at the end of the Business hours on 16th Sept, 2013 as per the list to be furnished by NSDL / CDSL in respect of shares held in Electronic Form are entitled for 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 2012-13.

**BOMBAY STOCK EXCHANGE**

The official quoted price at the Bombay Stock Exchange is as under:

Scrip Code: 532992, Company: CHL LTD
For the Period: April 2012 to March 2013

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover
	Rs.	Rs.	Rs.	Rs.			Rs.
Apr-12	90.00	93.10	75.35	75.35	5406	114	456317
May-12	78.95	83.95	71.30	78.50	1701	51	130354
Jun-12	74.60	82.90	69.50	82.90	1781	41	132907
Jul-12	78.80	83.85	71.70	75.00	3765	80	292265
Aug-12	77.85	83.00	70.30	72.00	4209	107	318764
Sep-12	72.00	83.00	68.35	80.00	1640	50	124085
Oct-12	76.05	82.00	70.50	73.85	8749	161	664551
Nov-12	76.00	76.00	69.00	74.55	12069	72	877572
Dec-12	70.85	80.00	67.75	69.65	5353	90	393504
Jan-13	73.00	76.95	65.05	71.85	4905	146	351404
Feb-13	69.10	75.75	65.80	73.00	2011	42	140776
Mar-13	76.60	76.60	61.90	70.65	2495	84	172591

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)**DEMATERIALISATION 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, 2013, 91,51,609 Equity Shares of the Company, forming 83.47% 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.	2003-2004	15%	164.45
2.	2004-2005	15%	164.45
3.	2005-2006	15% (Interim)	164.45
		15% (Final)	164.45
4.	2006-2007	20% (Interim)	219.27
		20% (Final)	219.27
5.	2007-2008	20% (Interim)	219.27
		20% (Final)	219.27
6.	2008-2009	15% (Interim)	164.45
		15% (final)	164.45
7.	2009-2010	15% (Interim)	164.45
		15% (Final)	164.45
8.	2010-2011	15% (Interim)	164.45
		15% (Final)	164.45
9.	2011-2012	10% (Interim)	109.63
		10% (Final)	109.63
10.	2012-2013	10% (Interim)	109.63
		10% (Final)**	109.63

* Excluding Dividend Tax

** 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) 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 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
31st March 2012 (Final)	25.09.2012	September 2019
31st March 2013 (Interim)	08.02.2013	February 2020

*Unpaid/unclaimed Final Dividend pertaining to the year ended 31.03.2006 is being transferred to Investors Education and Protection Fund (IEPF) in the last week of September, 2013. As such it will not be possible to entertain Dividend Claim pertaining to the year 2006, after August, 2013. 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 FOR DIVIDEND

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 - M/s A. Chadha & Associates and the 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, 2013

Range of shares	No. of shareholders	Percentage of Shareholders to total	No. of shares of Rs. 10/- each held	Percentage to total shareholding
Upto 5,000	1728	88.34	178456	1.63
5,001 to 10,000	87	4.45	76393	0.70
10,001 to 20,000	39	1.99	63110	0.57
20,001 to 30,000	25	1.28	63537	0.58
30,001 to 40,000	5	0.26	17657	0.16
40,001 to 50,000	16	0.82	76329	0.70
50,001 to 1,00,000	16	0.82	129387	1.18
1,00,001 and above	40	2.04	10358789	94.48
TOTAL	1956	100.00	10963658	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2013

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
Promoters (including persons acting in concert and OCB)	28	7842154	71.53
Banks/Financial Institutions	1	300	-
Private Bodies Corporate	44	161354	1.47
Other NRIs	128	2371981	21.63
Indian Public	1755	587869	5.37
TOTAL	1956	10963658	100.00

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 : 011-29961281-83 Fax : 011-29961284
E mail : beetalrta@gmail.com

ECONOMIC SCENARIO AND HOSPITALITY SECTOR

The year 2012-13 was a challenging year for the Indian economy. The Indian Economy is slowing down resulting from slow growth in the global, volatile economy. However there is a renewed surge in US and Japan and this has resulted in FIIs pulling out of funds from emerging market. Almost all emerging market currencies including that of India are depreciating against the dollar. High interest rate as well as policy constraints adversely impacted investments resulting growth rate slowed to 6.2% in the last year and further slowed to 5% in the year under review.

GDP was just 5% for the entire financial year. All the major segments such as agriculture, industrial and service sector have faced deceleration. Apart from that, power, mining and steel sectors have also continued to face headwinds from domestic as well as global factors.

Government's reforms measures did not create any significant momentum for the economy. As a result, price level of major commodities like oil, coal, petrol, and other consumer items have skyrocketed, thus, ensued with negative effects in the form of slow domestic demands.

India is a middle income economy, with GDP of US\$ 2 trillion with a mostly open capital account and a floating exchange rate. Nifty and rupee are the two most important factors telling us how India is faring. The rupee depreciated as much as more than ` 60 to a dollar. Thus it has adverse impact on foreign exchange reserve. The government of India and RBI are closely monitoring the situation and they have pledged to take the required steps to redeem the economy from further downturn.

As far as Indian hospitality sector is concerned it depends on the overall economy growth of our country. The hotel industry overall was not able to meet its revenue target due to economy slowdown. Factors such as cutting travel budget by companies, decreasing inbound and domestic traffic and increasing supply of more hotels rooms in the country have compelled to lower the tariff rate resulting low revenue. Inbound tourism suffered high taxes as hospitality industry is highly overtaxed.

The coming year is also more challenging than last year and we hope to see an upsurge in economic momentum reversing the present economy slowdown. We believe that with all our services, good planning and upgrading our facilities, we will stay ahead in the industry.

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 Indira Gandhi International 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 been agreed to provide international and regional sales, marketing and reservation activities.

The Hotel has 74 Superior Rooms, 89 Deluxe Rooms, 39 Club Deluxe Rooms, 33 Premier Rooms, 6 Delux Suits, 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 is now under renovation. Well renovated Sampan with a Party Room of 25-30 px. - the 96 cover restaurant for authentic Cantonese and Szechwan Specialties and a panoramic roof top view of the city; Le café - the 24 hour multi cuisine restaurant is also under renovation. 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 11.84% as compared to the previous year's turnover. Operating Profit is lower by 8.99% as compared to the previous year's profit but Net Profit after Tax for the year under review are higher by 10.59% over the previous year's net profit due to strict control over the input cost and other expense. 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 continued 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, 2013:

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)

Dr. L. K. Malhotra
Chairman & Managing Director

Place: New Delhi
Date: 14th August, 2013

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, 2013, 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

Place : New Delhi
Date: 14th August, 2013

FCS: Membership No.5271

**AUDITORS' REPORT****THE SHAREHOLDERS,
CHL LIMITED
NEW DELHI.**

We have audited the accompanying Financial Statements of CHL Limited (the Company) , which comprise the Balance Sheet as at March 31, 2013, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these final statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements 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, 2013;
- (b) in the case of the statement of Profit and Loss Account, of the profit of for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. 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.
2. As required by Section 227(3) of the Act, 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, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

**For G. RAI & CO.
CHARTERED ACCOUNTANTS
(Registration No.001479N)**

**GULSHAN RAI
PARTNER**

MEMBERSHIP NO. 3921

Place : New Delhi

Date : 30th May, 2013

**ANNEXURE
(TO THE AUDITORS' REPORT DATED 30-05-2013)**

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 2013 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 Penalty u/s 271(1) (c)		370260	AY 2006-07	CIT (Appeal)
5	Income-tax Act 1961 Penalty u/s 271(1) (c)		252618	AY 2007-08	CIT (Appeal)

10. The Company has neither accumulated losses nor incurred any cash loss as at the year end 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 other than disclosed in the financial statements.
16. In our opinion and according to information and explanations given to us, no term loan has been obtained by the Company during the year.
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 : 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Lac Rs.

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2013		Figures as at the end of previous reporting period ending 31st March 2012	
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,096.37		1,096.37	
(b) Reserve & Surplus	3	7,643.51	8,739.88	7,393.89	8,490.26
(2) Non-Current Liabilities					
(a) Long Term Borrowings	4	956.55		1,948.78	
(b) Deferred Tax Liability (Net)	5	448.23		479.96	
(c) Other Long term Liabilities	6	252.61		219.45	
(d) Long Term Provisions	7	108.14	1,765.53	66.03	2,714.22
(3) Current Liabilities					
(a) Short Term Borrowings	8	2,019.28		1,711.67	
(b) Trade Payable	9	363.05		515.13	
(c) Other Current Liabilities	10	408.68		459.89	
(d) Short Term provisions	11	184.40	2,975.41	140.31	2,827.00
TOTAL			13,480.82		14,031.48
II ASSETS					
Non Current Assets					
(1) (a) Fixed Assets					
(i) Tangible Assets	12	5,370.21		5,817.81	
(ii) Capital; Work in Progress		-			
		5,370.21		5,817.81	
(b) Non-current Investments	13	3,797.32		3,597.66	
(c) Long Term Loans & Advances	14	1,020.80		821.21	
(d) Other Non Current Assets	15	24.91	10,213.24	17.92	10,254.60
(2) Current Assets					
(a) Inventories	16	365.79		419.16	
(b) Trade Receivables	17	430.52		366.06	
(c) Cash & Cash equivalents	18	2,285.35		2,619.92	
(d) Short Term Loans & Advances	19	151.77		330.06	
(e) Other Current Assets	20	34.15	3,267.58	41.68	3,776.88
TOTAL			13,480.82		14,031.48

Notes forming integral part of the financial statements No 1-44

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
Joint Managing 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

Place : New Delhi
Date : 30th May, 2013

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013****Lac Rs.**

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2013	Figures as at the end of previous reporting period ending 31st March 2012
I Revenue from Operations	21	5,590.41	6,238.55
II Other Income	22	283.47	424.26
III Total Revenue		<u>5,873.88</u>	<u>6,662.81</u>
IV Expenses			
a) Cost of Material Consumed	23	555.83	769.10
b) Employee benefit expense	24	1,452.36	1,512.14
c) Finance Cost	25	375.76	485.80
d) Operational Expenses	26	2,275.68	2,615.49
e) Depreciation and amortisation expense		474.36	485.13
Total Expenses		<u>5,133.99</u>	<u>5,867.66</u>
V Profit before Exceptional and extraordinary items and tax (III - IV)		739.89	795.15
VI Exceptional items/ Extraordinary items		8.56	(9.42)
VII Profit before Tax (V - VI)		748.45	785.73
VIII Tax Expenses	27		
a) Current Tax		275.72	291.59
b) Deferred Tax		(31.73)	38.01
		<u>243.99</u>	<u>329.60</u>
IX Profit (Loss) for the period (VII - VIII)		504.46	456.13
X Earnings Per Share			
Basic/Diluted earnings per share		4.60	4.16
Face value per share		10.00	10.00

Notes forming integral part of the financial statements No 1-44

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

Joint Managing 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

Place : New Delhi

Date : 30th May, 2013

Cash Flow Statement for the year ended	31st March 2013	31st March 2012
A) Cash Flow From Operating Activities		
Net Profit before Tax & Extraordinary Items	739.89	795.15
Adjustments for		
Depreciation	474.36	485.13
Dividend Income	(2.61)	(2.61)
Bad Debts	-	-
Loss on Sale of Assets	1.41	17.06
Scrapped/Discarded Assets written off	-	-
Profit / Loss on sale of Investment	-	-
Interest Expenditure	375.76	485.80
Interest Received	(234.44)	(325.71)
Operating Profit before Working Capital Changes	1,354.37	1,454.82
Adjustments for		
(Increase) Decrease in Inventories	53.37	(43.37)
Increase (Decrease) in Trade Payables	(152.08)	91.59
(Increase) Decrease in Trade & Other Receivables	(71.45)	147.18
(Increase) Decrease in Loans & Advances	185.82	463.05
Cash generated from Operations	1,370.03	2,113.27
Income Tax (Paid)/Refund	(450.86)	(489.96)
Net Cash from Operating Activities (A)	919.17	1,623.31
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(38.40)	(567.21)
Sale of Fixed Assets	29.33	37.30
Purchase of Investment	-	-
Investment in subsidiary	(199.66)	(124.38)
Sale of Investments	-	58.41
Interest Received	234.44	325.71
Dividend Received	2.61	2.61
Net Cash used in Investing Activities(B)	28.32	(267.56)
C) Cash Flow from Financing Activities		
Proceeds from issue of Capital	-	-
Interest Paid	(375.76)	(485.80)
Increase (Decrease) in Security Deposit	33.16	(2.66)
Dividend Paid	(219.27)	(219.28)
Dividend Tax Paid	(35.57)	(35.57)
Increase/(Decrease) in long term Borrowings	(992.23)	(962.11)
Increase/(Decrease) in Short term Borrowings	307.61	355.62
Net Cash used in Financing Activities (C)	(1,282.06)	(1,349.80)
Net increase/ decrease in cash and cash equivalents (A+B+C)	(334.57)	5.95
Cash & Cash Equivalent (Opening balance)	2,619.92	2,613.97
Cash & Cash Equivalent (Closing balance)	2,285.35	2,619.92

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
Joint Managing 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

Place : New Delhi
Date : 30th May, 2013



Notes forming integral part of the financial statements

Lac Rs.**Figures as at the
end of current
reporting period ending****Figures as at the
end of previous reporting
period ending****31st March 2013****31st March 2012****NOTE - 2 SHARE CAPITAL****Authorised**

Equity Shares of Rs. 10/- each

Lac No of Shares**300.00****3,000.00****Lac No of Shares****300.00****3,000.00****Issued, Subscribed and Paid up**

Equity Shares of Rs. 10/- each fully paid

Lac No of Shares**109.64****1,096.37****Lac No of Shares****109.64****1,096.37****1,096.37****1,096.37****A) Reconciliation of number of Equity shares outstanding**

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 2013**Lac No of Shares****Percentage****As At 31st March 2012****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 2013****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.

3. RESERVES & SURPLUS CAPITAL RESERVE

As per last Balance Sheet

0.94**0.94****CAPITAL REDEMPTION RESERVE**

As per last Balance Sheet

110.00**110.00****GENERAL RESERVE**

As per last Balance Sheet

2,910.00**2,830.00**

Add Transferred from Profit & Loss Account

80.00**2,990.00****80.00****2,910.00****PROFIT & LOSS ACCOUNT**

As per last Balance Sheet

4,372.95**4,251.67**

Add Transferred from Profit & Loss Account

504.46**456.13****4,877.41****4,707.80****Less : APPROPRIATIONS**

Transferred to General Reserve

80.00**80.00**

Proposed & Interim Dividend *

219.27**219.28**

Income Tax on Interim & Proposed Dividend

35.57**35.57**

Balance carried over

4,542.57**4,372.95****7,643.51****7,393.89**

Lac Rs.

Figures as at the
end of current
reporting period ending

Figures as at the
end of previous reporting
period ending

31st March 2013

31st March 2012

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

4. LONG TERM BORROWINGS

(a) Term Loan from Banks				
The Hongkong & Shanghai Banking Corporation Ltd	-		566.67	
Andhra Bank	854.27		1,264.17	
(b) Long Term Finance Lease Obligations	102.28	956.55	117.94	1,948.78

- 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 pari passu 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

(i) Deferred Tax Liability				
Depreciation on Fixed Assets	479.96		495.34	
Total (i)	479.96		495.34	
(ii) Deferred Tax Asset				
Disallowance u/s 43 (B) of Income Tax	31.73		15.38	
Total (ii)	31.73		15.38	
Net Deferred Tax Liabilities (i-ii)	448.23	448.23	479.96	479.96

6. OTHER LONG TERM LIABILITIES

a) Security Deposits	213.52		205.78	
b) Others	39.09	252.61	13.67	219.45

7. LONG TERM PROVISIONS

- Provision for leave Benefit (Ref Note No 36)	52.91		49.88	
- Provision for Gratuity	55.23	108.14	16.15	66.03

8. SHORT TERM BORROWINGS

- Overdraft against Fixed Deposit with banks	2,019.28	2,019.28	1,711.67	1,711.67
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9. TRADE PAYABLE

- Sundry Creditors	363.05	363.05	515.13	515.13
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10. OTHER CURRENT LIABILITIES

- Advances from Customers	95.41		106.67	
- Unpaid Dividends	25.30		24.01	
- Statutory Liabilities	190.54		245.73	
- Other Liabilities	97.43	408.68	83.48	459.89



Lac Rs.

**Figures as at the
end of current
reporting period ending**

Figures as at the
end of previous reporting
period ending

31st March 2013

31st March 2012

11. SHORT TERM PROVISIONS

i) Proposed Dividend	109.63		109.63	
ii) Income Tax on Proposed Dividend	17.79		17.79	
iii) Provision for Staff Leave Benefit	12.06		12.89	
iv) Provision for Taxation	44.92	184.40	-	140.31

NOTE 12 - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions during the year	Sales/ Transfer	As on 31.03.2013	As on 01.04.2012	During the year	Adjust- ment/ Transfer	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Land (Leasehold)	599.31	-	-	599.31	-	-	-	-	599.31	599.31
Land (Freehold)	116.04	-	-	116.04	-	-	-	-	116.04	116.04
Land & Building (Noida)	240.48	-	-	240.48	-	-	-	-	240.48	240.48
Building	3,318.02	-	-	3,318.02	640.15	55.31	-	695.46	2,622.56	2,677.87
Plant & Machinery	3,645.92	5.58	-	3,651.50	2,382.99	206.31	-	2,589.30	1,062.20	1,262.93
Plant & Machinery (Noida)	90.90	-	-	90.90	-	-	-	-	90.90	90.90
Furniture, Fixture and Fitting	1,259.14	2.89	-	1,262.03	906.41	119.65	-	1,026.06	235.97	352.73
Office & Other Equipments	94.17	0.83	-	95.00	27.01	5.00	-	32.01	62.99	67.16
Computers	175.47	4.51	-	179.98	116.70	28.53	-	145.23	34.75	58.77
Vehicles	621.89	24.59	29.33	617.15	270.27	59.56	17.69	312.14	305.01	351.62
TOTAL - Current Year	10,161.34	38.40	29.33	10,170.41	4,343.53	474.36	17.69	4,800.20	5,370.21	5,817.81
Previous Year	9,605.19	728.19	172.04	10,161.34	3,980.21	485.13	121.81	4,343.53		

	As at 31-03-2013 No of Units	31-03-2012 No of Units	As at 31-03-2013 Lac Rs	31-03-2012 Lac Rs
13. LONG TERM INVESTMENTS				
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 Estate 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
			236.96	236.96
In Equity Shares - Others (Unquoted & Fully Paid)				
Bharat Hotel Ltd. of Rs.10/- each	150	150	0.01	0.01
KMAHP Pvt Ltd. of Rs.10/- each	100	100	0.01	0.01
Jagriti Hydro Power Pvt Ltd. of Rs.10/- each	1,000	1,000	0.10	0.10
			0.12	0.12
In Equity Shares (Unquoted) - In Subsidiary				
CHL International of Somoni 100/- each (Less Calls in Arrear unpaid)	3,38,940	3,38,940	3,632.32 (92.08)	3,632.32 (291.74)
			3,540.24	3,340.58
In Equity Shares (Unquoted, Fully Paid up) Associate Companies				
CHL (South) Hotels Ltd of Rs.10/- each	1,00,000	1,00,000	10.00	10.00
			10.00	10.00
In Mutual Funds (Unquoted, Fully Paid)				
Osian Art Fund	1,00,000	1,00,000	10.00	10.00
			10.00	10.00
TOTAL			3,797.32	3,597.66
AGGREGATE VALUE OF	Book Value		Market Value	
Quoted Investments	236.96		60.50	114.19


Lac Rs.

	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
14. LONG TERM LOANS & ADVANCES				
Unsecured, considered good				
- Capital Advances	19.62		19.62	
- Other advances	520.00		520.00	
- Intercorporate Deposit	-		10.00	
- Security Deposit	36.02		39.85	
Other Loan & advances				
- Income Tax Refundable	445.16	1,020.80	231.74	821.21
15. OTHER NON CURRENT ASSETS				
Unsecured, considered good				
- Long Term Trade Receivable	24.91	24.91	17.92	17.92
16. INVENTORIES				
(at cost or realisation value whichever is lower and as certified by the Management)				
i) Chinaware, Glassware, Silverware, Linen etc	130.38		137.22	
ii) Kitchen Accessories	81.88		86.31	
iii) Provision, Food, Beverages etc.	88.89		133.04	
iv) General Stores and Spares	64.64	365.79	62.59	419.16
17. TRADE RECEIVABLES				
(Unsecured considered Good)				
i) Outstanding for over Six Months	7.67		23.97	
ii) Others	422.85	430.52	342.09	366.06
18. CASH AND BANK BALANCES				
Cash & Cash Equivalents				
i) Cash on Hand	23.95		44.30	
ii) Cheques/drafts in Hand	2.00		314.08	
iii) In current accounts	32.41		115.49	
Other Bank Balances				
iv) In Unpaid Dividend Account	25.30		24.06	
v) Scheduled Banks - Fixed Deposits maturing within 12 months of reporting date. (Ref Note No 29)	2,201.69	2,285.35	2,121.99	2,619.92
19. SHORT TERM LOANS & ADVANCES				
(Unsecured-considered good)				
Advances recoverable in cash or kind or for value to be received considered good				
Other advances	31.09		7.73	
- Advances to Suppliers	12.16		4.76	
- Prepaid Expenses	108.52		117.15	
- Income Tax Recoverable (Refer Note 44B)	-	151.77	200.42	330.06
20. OTHER CURRENT ASSETS				
i) Interest accrued on Fixed Deposits/icd	29.53		20.25	
Others - Unsecured , considered good				
ii) Claims receivable	-		19.50	
iii) Commission receivable	4.62	34.15	1.93	41.68

	Lac Rs.			
	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
21. REVENUE FROM OPERATIONS				
Sale of Product				
Wine & Liquor	279.77		365.70	
Food, Beverage & Smokes	1,541.04		2,025.96	
	1,820.81		2,391.66	
Less Excise Duty	3.83	1,816.98	3.73	2,387.93
Sale of Services				
Rooms	2,932.15		3,002.52	
Licence Fee	591.04		560.51	
Communications	41.85		45.01	
Other Operating Revenues	128.84		100.79	
Banquet Misc. Services	79.55	3,773.43	141.79	3,850.62
		5,590.41		6,238.55
22. OTHER INCOME				
Interest earned		234.44		325.71
Dividend Income - Long Term Investments		2.61		2.61
Foreign Currency transaction gain/(loss)		5.52		8.76
Scrap Income		6.36		11.21
Excess Provision & Other Income		34.54		75.97
		283.47		424.26
23. CONSUMPTION OF PROVISIONS, WINES & SMOKES				
A. Provisions, Beverages & Smokes				
Opening Stock	30.31		28.71	
Add: Purchases	440.19		642.04	
	470.50		670.75	
Less : Closing stock	22.67	447.83	30.31	640.44
B. Wine & Liquor				
Opening Stock	102.74		70.51	
Add: Purchases	71.48		160.89	
	174.22		231.40	
Less : Closing Stock	66.22	108.00	102.74	128.66
		555.83		769.10
24. PAYMENT TO AND PROVISION FOR EMPLOYEES				
Salaries, Wages, Stipend & Bonus		1,169.81		1,238.55
Contribution to Provident, Gratuity & Other Funds		163.45		131.86
Employees Welfare Expenses		116.49		138.75
Recruitment & Training Expenses		2.61		2.98
		1,452.36		1,512.14

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 2013

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.

27. Contingent liabilities not provided for in respect of

		2012-2013	2011-2012
		(Rs. in lacs)	(Rs.in lacs)
i)	Demands / Claims not acknowledged as debt or which are under litigation ⁽ⁱ⁾	Rs. 10.00	Rs. 10.00
ii)	Bank Guarantees furnished	Rs. 67.00	Rs. 22.00
iii)	Disputed demands for taxes duties and other levies pending adjudication in appeal	Rs. 143.86	Rs. 299.65
iv)	Corporate Guarantee ⁽ⁱⁱ⁾	US\$ 180.00	US\$ 180.00

i Rs. 6.08 lacs deposited in Delhi High Court as security.

ii Corporate Guarantee has been given to Export/Import Bank of India against loan of same value taken by the subsidiary of the company in addition to second charge on its fixed assets.

28. Other advances are for business purposes and do not carry interest .

29. The Fixed Deposits are pledged with:

- i) Statutory Authorities - Rs.2.85 lacs (Rs. 3.15 lacs);
- ii) Banks against bank guarantee - Rs. 67.00 lacs (Rs. 22 lacs); and
- iii) Banks against overdraft facilities - Rs. 2176.84 lacs (Rs.2096.84 lacs).

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

31. No lease rent on following has neither been paid nor provided in the financial statements in the absence of any claim from the concerned authority:

- a. NSEZ Noida Land
- b. Jaipur Land

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

In respect of the Company Rs. 22.96 Lacs (previous year Rs. 3.74 lacs)

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. 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.

**36. 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.

I. Assumptions :	2012-13	2011-12
Discount Rate	8.00 %	8.00 %
Rate of increase in Compensation levels	6.00 %	6.00 %
Superannuation age	58 yrs	58 yrs
Mortality		
II. Table Showing Change in Benefit Obligation :		
Projected Benefit Obligations (PBO) at the beginning of the year	62.77	63.89
Interest Cost	4.73	4.60
Service Cost	9.71	7.81
Benefits paid	(7.36)	(12.70)
Actuarial (gain) loss on obligations	(4.87)	(0.83)
PBO at the end of the year	64.97	62.77
III. Tables of Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	7.36	12.70
Benefits paid	(7.36)	(12.70)
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets		
At the end of the year	-	-
IV. Tables of change in Plan Assets		
Fair Value of Plan Assets at the beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions/Transfers	7.36	12.70
Benefits paid	(7.36)	(12.70)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-
V. Funded Status	(64.97)	(62.77)
VI. Limits of Corridor not considered since total actuarial gain/loss is being recognized		
Actuarial gain/(loss) for the year - Obligation	4.87	0.83
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	4.87	0.83
Actuarial (gain)/loss recognized	(4.87)	(0.83)
Unrecognized actuarial gains (losses) at the end of the year	-	-
VII. The Amounts to be recognized in Balance Sheet and Income Statement and the related analysis		
Present Value of Obligation	64.97	62.77
Fair value of Plan Assets	-	-
Difference	64.97	62.77
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	64.97	62.77

VIII. Net Periodic Cost

Current Service Cost	9.71	7.81
Interest Cost	4.73	4.60
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	(4.87)	(0.83)
Expenses Recognised in the Income Statement	(9.56)	(11.58)

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

Opening Net Liability	62.77	63.89
Expense as above	9.56	11.58
Contributions/Transfers	(7.36)	(12.70)
Closing Net Liability	64.97	62.77

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

38. Contribution to Political party: NIL (Previous Year Rs. 0.11 lacs)

39. 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	Joint Managing Director
	Mr. Gagan Malhotra	Executive 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 31.3.2013*	Bal. as on 31.3.2012*
a)	United Exports	Purchase of goods	13.52	(1.73)	(1.40)
b)	Mohan Meakin Ltd	-do-	0.07	NIL	NIL
c)	CHL International	- Unpaid Calls	-	(92.08)	291.74
		- Investment	-	(3632.32)	3632.32

* FIGURES IN BRACKET INDICATE PAYABLE

40. Managerial Remuneration to Directors

Particulars	2012-2013 (Rs. in lacs)	2011-2012 (Rs. in lacs)
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	8.00	6.80



41. 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	Current Year	Previous Year
a) Food & Beverage	Nil	Nil
b) Wine & Liquor - through canalizing agencies.	34.42	53.72
c) Components, spare parts and stores	1.10	0.89
d) Capital Goods	3.03	44.21
B. Expenditure in Foreign Currency - on payment basis		
i. Technical Services	17.82	32.85
ii. Others	55.23	60.87
C. Earning in Foreign Exchange - on receipt basis		
On account of hotel services	1570.42	1600.17
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:		
Final Dividend		
1. No. of Non Resident shareholders	130	141
2. No. of equity shares held by them	88.28	92.29
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.	23.70	41.57
5. Year to which Relates	2011-12	2010-11
Interim dividend		
1. No. of Non Resident shareholders	130	132
2. No. of equity shares held by them	88.30	88.30
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	64.57	64.57
4. Amount of Rupees (in lakhs) remitted to banks in India.	23.72	23.72
5. Year to which Relates	2012-13	2011-12
42. Amount transferred to investor education and protection fund as required under section 205 C of the Companies Act as Rs. 1.51 lacs (Previous Year Rs. 1.56 lacs)		
43. 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.		

44. Balance Sheet abstract and Company's General Business profile

a. Registration Details

CIN No.	L55101DL1979PLC009498
State Code	55
Balance Sheet Date	31.03.2013

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	13480.82
Total Assets	13480.82
SOURCE OF FUNDS	
Paid-up Capital	1096.37
Reserve & Surplus	7643.51
Non- Current Liabilities	1317.30
Current Liabilities	2975.41
Deferred Tax (Net)	448.23
APPLICAION OF FUNDS	
Net Fixed Assets	5370.21
Non Current Investments	3797.52
Long Term Loans & Advances	1020.80
Other Non Current Assets	24.91
Current Assets	3267.58

d. Performance of the Company

Turnover	5873.88
Total Expenditure	5133.99
Profit / (Loss) before Tax	739.89
Profit / (Loss) after Tax	504.46
Earnings per share	4.60
Dividend Rate (%)	20

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 & on behalf of the Board of Directors

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

LUV MALHOTRA
Joint Managing Director

Dr. L. K. MALHOTRA
Chairman & Managing Director

Gulshan Rai
Partner
Membership No. 3921
Place : New Delhi
Date : 30th May 2013

N.K. GOEL
Vice President Finance

G.J. VARADARAJAN
Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of CHL INETRATIONAL

Report on the Financial Statements

We have audited the accompanying financial statements of CHL INTERNATIONAL, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of Statement of the Profit and Loss, of the Profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other legal and Regulatory Requirements

1. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

For L.N. MALIK & CO.
Chartered Accountants
FRN: 015992N

Place : New Delhi
Date : 30th May 2013

L.N. MALIK
Partner
M.No. 010423

BALANCE SHEET AS AT 31ST MARCH, 2013

Lac Rs.

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2013		Figures as at the end of previous reporting period ending 31st March 2012	
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	5,093.56		4,894.25	
(b) Reserve & Surplus	3	440.71	5,534.27	331.59	5,225.84
(2) Non-Current Liabilities					
(a) Long Term Borrowings	4	9,515.30	9,515.30	4,426.31	4,426.31
(3) Current Liabilities					
(a) Trade Payable	5	109.40		59.98	
(b) Other Current Liabilities	6	250.76	360.16	155.18	215.16
TOTAL			15,409.73		9,867.31
II ASSETS					
Non Current Assets					
(1) (a) Fixed Assets					
(i) Tangible Assets	7	90.50		79.55	
(ii) Capital; Work in Progress	8	12,821.19		7,499.37	
		12,911.69		7,578.92	
(b) Non-current Investments	9	0.34		0.30	
(c) Long Term Loans & Advances	10	442.52	13,354.55	180.68	7,759.90
(2) Current Assets					
(a) Inventories	11	1,847.28		1,140.97	
(b) Cash & Cash equivalents	12	169.65		918.63	
(c) Short Term Loans & Advances	13	38.25	2,055.18	47.81	2,107.41
TOTAL			15,409.73		9,867.31

Notes forming integral part of the financial statement No 1 to 27

As per our report of even date attached

for L.N. Malik & Co.
Chartered Accountants
Reg. No. 015992N

L.N. Malik
Partner
Membership No. 10423

LUV MALHOTRA
Director

N.K. GOEL
Director

For and on behalf of the Board of Directors

Dr. L. K. MALHOTRA
Chairman cum Chief Executive Officer

GAGAN MALHOTRA
Director

Place : New Delhi
Date : 30th May, 2013



CHL INTERNATIONAL

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Lac Rs.

Particulars	Note No.	Figures as at the end of current	Figures as at the end of previous
		reporting period ending 31st March 2013	reporting period ending 31st March 2012
I Revenue from Operations		-	-
II Other Income	14	<u>187.48</u>	<u>505.24</u>
III Total Revenue		<u>187.48</u>	<u>505.24</u>
IV Expenses			
A) Operational Expenses	15	<u>104.88</u>	<u>211.78</u>
Total Expenses		<u>104.88</u>	<u>211.78</u>
V Profit before Exceptional and extraordinary items and tax (III- IV)		82.60	293.46
VI Exceptional items/ Extraordinary items		-	-
VII Profit before Tax (V-VI)		82.60	293.46
VIII Tax Expenses		-	-
IX Profit (Loss) for the period (VII-VIII)		82.60	293.46
X Earnings Per Share			
Basic/Diluted earnings per share Somoni		17.06	60.70
Face value per share Somoni		100	100

Notes forming integral part of the financial statement No 1 to 27

As per our report of even date attached

for L.N. Malik & Co.
Chartered Accountants
Reg. No. 015992N

L.N. Malik
Partner
Membership No. 10423

Place : New Delhi
Date : 30th May, 2013

LUV MALHOTRA
Director

N.K. GOEL
Director

For and on behalf of the Board of Directors

Dr. L. K. MALHOTRA
Chairman cum Chief Executive Officer

GAGAN MALHOTRA
Director

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-2013 (Rs. in Lac)	2011-2012 (Rs. in Lac)
A) Cash Flow From Operating Activities		
Profit before tax & extraordinary items	82.60	293.46
Adjustments for		
Depreciation	-	-
Loss on sale of Asset	-	-
Foreign exchange fluctuation	26.52	(1.74)
Operating profit before working capital change	109.12	291.72
(Increase) Decrease in Inventories	(706.31)	(999.16)
Increase (Decrease) in Trade Payables & Provisions	145.00	134.50
(Increase) Decrease in Loans & Advances	(252.28)	116.22
Cash generated from Operations	(704.47)	(456.72)
Net Cash from Operating Activities (A)	(704.47)	(456.72)
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets/CWIP	(5,332.77)	(2,807.28)
Sale of Fixed Asset	-	-
Capital employed	199.31	175.71
Purchase of Investment	(0.04)	-
Net Cash used in Investing Activities (B)	(5,133.50)	(2,631.57)
C) Cash Flow from Financing Activities		
Term Loan Raised	5,088.99	3,074.54
Net Cash From Financing Activities (C)	5,088.99	3,074.54
Net increase/decrease in cash and cash equivalents (A+B+C)	(748.98)	(13.75)
Cash & Cash Equivalent (Opening Balance)	918.63	932.38
Cash & Cash Equivalent (Closing Balance)	169.65	918.63

Note :

- The above cash flow statement has been prepared under indirect method as set out in Accounting Standard (AS-3) and is based on the Balance Sheet as at 31st March 2013 and the related Profit & Loss Account for the year ended on that date.
- Previous year figures has been regrouped and rearranged wherever necessary in order to confirm to this year's presentation.

As per our report of even date attached

for L.N. Malik & Co.
Chartered Accountants
Reg. No. 015992N

L.N. Malik
Partner
Membership No. 10423

LUV MALHOTRA
Director

N.K. GOEL
Director

For and on behalf of the Board of Directors

Dr. L. K. MALHOTRA
Chairman cum Chief Executive Officer

GAGAN MALHOTRA
Director

Place : New Delhi
Date : 30th May, 2013



CHL INTERNATIONAL

Notes forming integral part of the financial statements

	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
Lac Rs.				
2. SHARE CAPITAL				
Authorised				
Equity Shares of Somoni 100/- each	484,200	5189.03	484,200	5189.03
Issued, Subscribed and Paid up				
Equity Shares of Somoni 100/- each	484,200	5189.03	484,200	5189.03
Less Calls In Arrear		95.47		294.78
		<u>5093.56</u>		<u>4894.25</u>
A) Reconciliation of number of Equity shares outstanding				
As at beginning of the year	484,200	5189.03	484,200	5189.03
As at end of the year	484,200	5189.03	484,200	5189.03
B) Detail of shareholder holding more than 5 percent shares in the Company.				
Name of Shareholder	As At 31st March 2013		As At 31st March 2012	
	No of Shares	Percentage	No of Shares	Percentage
CHL Limited	338940	70.00%	338940	70.00%
Al-Zahem Malhotra General Trading Co. WLL	145260	30.00%	145260	30.00%
C) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding 31st March 2013		NIL		
D) Rights, preferences and restrictions attached to the Equity Shares				
The company has one class of Equity Shares having at par value of Somoni 100/- each. The Company is a Closed Joint Stock Company registered in Republic of Tajikistan.				
3. RESERVES & SURPLUS PROFIT & LOSS ACCOUNT				
As per last Balance Sheet	333.33		39.87	
Add Transferred from Profit & Loss Account	82.60	415.93	293.46	333.33
FOREIGN EXCHANGE FLUCTUATION RESERVE		24.78		(1.74)
		<u>440.71</u>		<u>331.59</u>
4. LONG TERM BORROWINGS				
SECURED LOANS				
Term Loan from Export Import Bank of India	9,515.30		4,426.31	
		<u>9,515.30</u>		4,426.31
		<u>9,515.30</u>		<u>4,426.31</u>
Notes :				
Term Loan is secured by first & exclusive charge over entire present & future Fixed Assets and current assets of the company and corporate guarantee by the holding company.				
5. TRADE PAYABLE				
– Sundry Creditors	109.40		59.98	
		109.40		59.98
6. OTHER CURRENT LIABILITIES				
– Statutory Liabilities	164.18		7.05	
– Expenses Payable	86.58	250.76	148.13	155.18
		<u>360.16</u>		<u>215.16</u>

NOTE - 7 Fixed Assets

(Figures in Lac Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions during the year	Sales/ Transfer	As on 31.03.2013	As on 01.04.2012	During the year	Adjust- ment/ Transfer	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Plant & Machinery	39.28	3.74	-	43.02	2.07	2.24	-	4.31	38.71	37.21
Furniture, & Fixture	12.04	1.18	-	13.22	1.14	1.25	-	2.39	10.83	10.90
Office & Other Equipments	6.33	1.22	-	7.55	0.33	0.40	-	0.73	6.82	6.00
Computers	2.91	0.60	-	3.51	0.47	0.55	-	1.02	2.49	2.44
Vehicles	25.41	14.43	2.72	37.12	2.41	3.38	0.32	5.47	31.65	23.00
TOTAL	85.97	21.17	2.72	104.42	6.42	7.82	0.32	13.92	90.50	79.55



CHL INTERNATIONAL

	Lac Rs.			
	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
8. CAPITAL WORK IN PROGRESS				
– Capital work in Progress	7,481.32		4,203.59	
– Preoperative Expenses pending Capitalisation	5,339.87	12,821.19	3,295.78	7,499.37
9. NON CURRENT ASSETS				
LONG TERM INVESTMENTS (AT COST)				
Government Electricity Bond		0.34		0.30
10 Long Term Loans & Advances				
Unsecured, considered good				
– Security Deposit	74.86		35.22	
– Taxes Recoverable	367.66	442.52	145.46	180.68
11. INVENTORIES				
(at cost or realisation value whichever is lower and as certified by the Management)				
– Capital Goods	15.46		258.37	
– Building Material	1,831.82	1,847.28	882.60	1,140.97
12. CASH AND BANK BALANCES				
i) Cash & Cheques on Hand	5.70		2.71	
ii) Scheduled Banks				
a) In current Accounts	163.95	169.65	915.92	918.63
13. SHORT TERM LOANS & ADVANCES				
(Unsecured-considered good)				
Advances recoverable in cash or kind or for value to be received considered good				
– Other advances	30.84		41.63	
– Prepaid Expenses	7.41		6.18	
		38.25		47.81
	Figures as at the end of current reporting period ending 31st March 2013		Figures as at the end of previous reporting period ending 31st March 2012	
14. OTHER INCOME				
Job Works Income		187.48		505.24
		<u>187.48</u>		<u>505.24</u>
15. OPERATING EXPENSES				
Material Used in Job work				
Hire Charges		–		–
Material Used		–		0.28
Steel Used		–		–
Machinery Used		–		–
Water Proofing Charges		–		–
Sub Contractors Payments		93.37		199.42
Conveyance		–		–
Salaries & Wages		11.51		12.08
		<u>104.88</u>		<u>211.78</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I. SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2013

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.
2. Capital work in progress comprises of advances to suppliers/service providers and expenditure on construction / installation where the fixed asset is not ready for its intended use as at the balance sheet date.
3. Expenditure pending capitalization comprises of expenditure not directly allocable to any fixed asset, and preoperative expenses incurred till commencement of commercial operation. It is apportioned amongst fixed assets, in the ratio of their 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.

C) 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.

D) 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 rates.
3. Non monetary foreign currency items are stated at cost.
4. Exchange difference arising out of conversion from Somoni to Indian Rupee is recognized in the Exchange Fluctuation Reserve.

E) INVESTMENTS

Long term investments are carried at cost. However, 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.

F) CURRENT ASSETS

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.

G) EMPLOYEES BENEFITS

The Company makes contribution to social fund, in accordance with the applicable law and as regulated by the Government of Tajikistan.

**H) CONTINGENT LIABILITIES**

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

II. NOTES ON ACCOUNTS

16. The company is incorporated in and operates under the applicable laws of the Republic of Tajikistan.
17. The Company is engaged in the construction of the hotel cum commercial complex at Dushanbe, Capital of Republic of Tajikistan.
18. The government of Tajikistan has allotted land to the company for construction of Hotel cum Commercial complex for unlimited period as per notification dated 10th November, 2011.
19. Basis of Preparation and Translation into Indian Rupees
- (i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-11 issued by ICAI on 'The Effects of Changes in Foreign Exchange Rates'. The functional currency of the Company is Somoni.
- (ii) The translation of foreign currency into rupees has been carried out for assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date.
20. Contingent liabilities not provided for in respect of
- | | 2012-13 | 2011-12 |
|---|---------|---------|
| i) Demands/Claims not acknowledged as debt or which are under litigation | NIL | NIL |
| ii) Bank Guarantees furnished | NIL | NIL |
| iii) Disputed demands for taxes duties and other levies pending adjudication in appeal. | NIL | NIL |
- Estimated amount of contracts remaining to be executed on capital account, net of advances is Rs. 3500.00 Lacs.
21. **Deferred Tax:** Deferred tax liability/asset is not recognized since there are no timing differences between the carrying amount of assets and liabilities and their respective tax bases.
22. **Segment information:** The company's business segments are (a) Construction of hotel and commercial complex and (b) Civil job Works. There is no business activity in segments (a), the total revenue and expenditure in (b) is Rs. 187.48 Lacs and Rs. 104.88 Lacs respectively. (Previous year Rs. 505.24 Lacs and Rs. 211.78 Lacs).
23. The balances with the banks in Dushanbe and Dubai are subject to confirmation.
24. 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.
25. Related parties disclosures
- (i) Relationships during the year
- a) Holding Company : CHL Ltd. India

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

Holding Company

- a) Receivable against share allotment Rs. 92.08 Lacs
26. Other disclosures requirements of schedule VI with the Companies Act 1956 are not applicable to the Company.
27. Previous year's figures have been regrouped and rearranged wherever necessary to make it comparable with the Current year figures. All figures have been rounded off to nearest lac rupee.

As per our report of even date attached

For and on behalf of the Board of Directors

for L.N. Malik & Co.
Chartered Accountants
Reg. No. 015992N

LUV MALHOTRA
Director

Dr. L. K. MALHOTRA
Chairman cum Chief Executive Officer

L.N. Malik
Partner
Membership No. 10423

N.K. GOEL
Director

GAGAN MALHOTRA
Director

Place : New Delhi
Date : 30th May, 2013

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF CHL LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

1. We have audited the attached Consolidated Financial Statements of CHL Limited (the Company) and its subsidiary, which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these final statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanation given to us and based on consideration of the report of the other auditor on the financial statement of the subsidiary as noted below, 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, 2013;
 - (b) in the case of the Profit and Loss Account, of the results of operations of the Company and its subsidiary 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.

Other Matters

6. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 15409.73 lacs as at 31st March 2013, the total revenue of Rs. 82.60 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditor whose report(s) have been furnished to us, and our opinion is based solely on the report of the other auditor.

For G. RAI & CO.
CHARTERED ACCOUNTANTS
(Registration No.001479N)

GULSHAN RAI
PARTNER

MEMBERSHIP NO. 3921

Place : New Delhi

Date : 30th May, 2013

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013****Lac Rs.**

Particulars	Note No.	Figures as at the end of current reporting period ending 31st March 2013		Figures as at the end of previous reporting period ending 31st March 2012	
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,096.37		1,096.37	
(b) Minority Interest		1,553.31		1,553.67	
(c) Reserve & Surplus	3	8,084.23	10,733.91	7,725.49	10,375.53
(2) Non-Current Liabilities					
(a) Long Term Borrowings	4	10,471.85		6,375.09	
(b) Deferred Tax Liability (Net)	5	448.23		479.96	
(c) Other Long term Liabilities	6	252.61		219.45	
(d) Long Term Provisions	7	108.14	11,280.83	66.03	7,140.53
(3) Current Liabilities					
(a) Short Term Borrowings	8	2,019.28		1,711.67	
(b) Trade Payable	9	472.45		575.11	
(c) Other Current Liabilities	10	659.44		615.07	
(d) Short Term provisions	11	184.40	3,335.57	140.31	3,042.16
TOTAL			25,350.31		20,558.22
II ASSETS					
Non Current Assets					
(1) (a) Fixed Assets					
(i) Tangible Assets	12	5,460.71		5,897.36	
(ii) Capital Work in Progress		12,821.19		7,499.38	
		18,281.90		13,396.74	
(b) Non-current Investments	13	257.42		257.38	
(c) Long Term Loans & Advances	14	1,463.32		1,001.89	
(d) Other Non Current Assets	15	24.91	20,027.55	17.92	14,673.93
(2) Current Assets					
(a) Inventories	16	2,213.07		1,560.13	
(b) Trade Receivables	17	430.52		366.06	
(c) Cash & Cash equivalents	18	2,455.00		3,538.55	
(d) Short Term Loans & Advances	19	190.02		377.87	
(e) Other Current Assets	20	34.15	5,322.76	41.68	5,884.29
TOTAL			25,350.31		20,558.22

Notes forming integral part of the financial statement No 1 to 45

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**

Joint Managing Director

Dr. L. K. MALHOTRA

Chairman & Managing Director

Gulshan RaiPartner
Membership No. 3921**N.K. GOEL**

Vice President Finance

G. J. VARADARAJAN

Company Secretary

Place : New Delhi

Date : 30th May, 2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013 **Rs. in Lac**

	Note No.	For the year ended 31st March, 2013	For the Year ended 31st March, 2012
I Revenue from Operations	21	5,590.41	6,238.55
II Other Income	22	470.95	929.50
III Total Revenue		6,061.36	7,168.05
IV Expenses			
a) Cost of Material Consumed	23	555.83	769.10
b) Employee benefit expense	24	1,452.36	1,512.14
c) Finance Cost	25	375.76	485.80
d) Operational Expenses	26	2,380.56	2,827.27
e) Depreciation and amortisation expense		474.36	485.13
Total Expenses		5,238.87	6,079.44
V Profit before Exceptional and extraordinary items and tax (III - IV)		822.49	1,088.61
VI Exceptional items/ Extraordinary items		8.56	(9.42)
VII Profit before Tax (V - VI)		831.05	1,079.19
VIII Tax Expenses	27		
a) Current Tax		275.72	291.59
b) Deferred Tax		(31.73)	38.01
Total Tax Expenses		243.99	329.60
IX Profit (Loss) for the period (VII - VIII)		587.06	749.59
X Earnings Per Share			
Basic/Diluted earnings per share		5.35	6.83
Face value per share		10.00	10.00

Notes forming integral part of the financial statement No 1 to 45

As per our report of even date attached

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

Gulshan Rai
Partner
Membership No. 3921

Place : New Delhi
Date : 30th May, 2013

LUV MALHOTRA
Joint Managing Director

N.K. GOEL
Vice President Finance

For and on behalf of the Board of Directors

Dr. L. K. MALHOTRA
Chairman & Managing Director

G. J. VARADARAJAN
Company Secretary



Consolidated Cash Flow Statement for the year ended	31st March 2013	31st March 2012
A) Cash Flow From Operating Activities	(Rs. in Lacs)	(Rs. in Lacs)
Net Profit before Tax & Extraordinary Items	849.01	1,088.61
Adjustments for		
Depreciation	474.36	485.13
Dividend Income	(2.61)	(2.61)
Bad Debts	-	-
Loss on Sale of Assets	1.41	17.06
Scrapped/Discarded Assets written off	-	-
Profit / Loss on sale of Investment	-	-
Interest Expenditure	375.76	485.80
Interest Received	(234.44)	(325.71)
Operating Profit before Working Capital Changes	1,463.49	1,748.28
Adjustments for		
(Increase) Decrease in Inventories	(652.94)	(1,042.53)
Increase (Decrease) in Trade & Other Payables	(7.08)	122.86
Increase (Decrease) in Liabilities	-	100.57
(Increase) Decrease in Trade & Other Receivables	(71.45)	147.18
(Increase) Decrease in Loans & Advances	(66.46)	390.34
Cash generated from Operations	665.56	1,466.70
Income Tax (Paid)/Refund	(450.86)	(302.74)
Net Cash from Operating Activities (A)	214.70	1,163.96
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets/CWIP	(5,371.17)	(3,374.53)
Sale of Fixed Assets	29.33	37.30
Purchase of Investment	(0.04)	-
Investment of Minority Interest	(0.35)	51.34
Sale of Investments	-	58.41
Interest Received	234.44	325.71
Dividend Received	2.61	2.61
Net Cash used in Investing Activities(B)	(5,105.18)	(2,899.16)
C) Cash Flow from Financing Activities		
Proceeds from issue of Capital		
Interest Paid	(375.76)	(485.80)
Increase (Decrease) in Security Deposit	33.16	(2.66)
Dividend Paid	(219.27)	(219.28)
Dividend Tax Paid	(35.57)	(35.57)
Increase/(Decrease) in long term Borrowing	4,096.76	2,115.09
Increase/(Decrease) in Short term Borrowings	307.61	355.62
Net Cash used in Financing Activities (C)	3,806.93	1,727.40
Net increase/ decrease in cash and cash equivalents (A+B+C)	(1,083.55)	(7.80)
Cash & Cash Equivalent (Opening balance)	3,538.55	3,546.35
Cash & Cash Equivalent (Closing balance)	2,455.00	3,538.55

As per our report of even date attached

for G. Rai & Co.Chartered Accountants
Reg. No. 001479N**Gulshan Rai**Partner
Membership No. 3921

Place : New Delhi

Date : 30th May, 2013

LUV MALHOTRA

Joint Managing Director

N.K. GOEL

Vice President Finance

For and on behalf of the Board of Directors

Dr. L. K. MALHOTRA

Chairman & Managing Director

G. J. VARADARAJAN

Company Secretary

Notes forming integral part of the financial statements

Lac Rs.

	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
2. SHARE CAPITAL				
Authorised	Lac No of shares		Lac No of shares	
Equity Shares of Rs. 10/- each	<u>300.00</u>	<u>3,000.00</u>	<u>300.00</u>	<u>3,000.00</u>
Issued, Subscribed and Paid up				
Equity Shares of Rs. 10/- each fully paid	109.64	<u>1,096.37</u>	109.64	<u>1,096.37</u>
		<u>1,096.37</u>		<u>1,096.37</u>
A) Reconciliation of number of Equity shares outstanding				
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				
	31st March 2013		31st March 2012	
	Lac No of shares	Lac Rs	Lac No of shares	Lac Rs
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 2013	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			
3. RESERVES & SURPLUS				
CAPITAL RESERVE				
As per last Balance Sheet		0.94		0.94
CAPITAL REDEMPTION RESERVE				
As per last Balance Sheet		110.00		110.00
GENERAL RESERVE				
As per last Balance Sheet	2,910.00		2,830.00	
Add Transferred from Profit & Loss Account	80.00	2,990.00	80.00	2,910.00
Foreign Exchange Fluctuation Reserve		24.78		(1.74)
PROFIT & LOSS ACCOUNT				
As per last Balance Sheet	4,706.29		4,291.55	
Add Transferred from Profit & Loss Account	587.06		749.59	
	5,293.35		5,041.14	
Less : APPROPRIATIONS				
Transferred to General Reserve	80.00		80.00	
Proposed & Interim Dividend *	219.27		219.28	
Income Tax on Interim & Proposed Dividend	35.57		35.57	
Balance carried over		<u>4,958.51</u>		<u>4,706.29</u>
		<u>8,084.23</u>		<u>7,725.49</u>

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



	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
4. LONG TERM BORROWINGS				
(a) Term Loan from Banks				
The Hongkong & Shanghai Banking Corporation Ltd	-		566.67	
Andhra Bank	854.27		1,264.17	
Export Import Bank Of India	9,515.30		4,426.31	
(b) Long Term Finance Lease Obligations	102.28	10,471.85	117.94	6,375.09
<ul style="list-style-type: none"> - 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	479.96		495.34	
Total (i)	479.96		495.34	
(ii) Deferred Tax Asset				
Disallowance u/s 43 (B) of Income Tax	31.73		15.38	
Total (ii)	31.73		15.38	
Net Deferred Tax Liabilities (i-ii)	448.23	448.23	479.96	479.96
6. OTHER LONG TERM LIABILITIES				
a) Security Deposits	213.52		205.78	
b) Others	39.09	252.61	13.67	219.45
7. LONG TERM PROVISIONS				
- Provision for leave Benefit	52.91		49.88	
- Provision for Gratuity	55.23	108.14	16.15	66.03
8. Short Term Borrowings				
- Overdraft against Fixed Deposit with banks	2,019.28	2,019.28	1,711.67	1,711.67
9. Trade Payable				
- Sundry Creditors	472.45	472.45	575.11	575.11
10. Other Current Liabilities				
- Advances from Customers	95.41		106.67	
- Unpaid Dividends	25.30		24.01	
- Statutory Liabilities	354.72		252.78	
- Other Liabilities	184.01	659.44	231.61	615.07

Lac Rs.

Figures as at the
end of current
reporting period ending

Figures as at the
end of previous reporting
period ending

31st March 2013

31st March 2012

11. Short Term Provisions

i) Proposed Dividend	109.63	109.63
ii) Income Tax on Proposed Dividend	17.79	17.79
iii) Provision for Staff Leave Benefit	12.06	12.89
iv) Provision for Taxation	44.92	-
	184.40	140.31

NOTE 12 - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions during the year	Sales/ Transfer	As on 31.03.2013	As on 01.04.2012	During the year	Adjust- ment/ Transfer	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Land (Leasehold)	599.31			599.31	-	-		-	599.31	599.31
Land (Freehold)	116.04			116.04	-			-	116.04	116.04
Land & Building (Noida)	240.48	-		240.48	-	-	-	-	240.48	240.48
Building	3,318.02			3,318.02	640.15	55.31		695.46	2,622.56	2,677.87
Plant & Machinery	3,685.20	9.32		3,694.52	2,385.06	208.55		2,593.61	1,100.91	1,300.14
Plant & Machinery (Noida)	90.90	-		90.90	-	-		-	90.90	90.90
Furniture, Fixture and Fitting	1,271.18	4.07		1,275.25	907.55	120.90		1,028.45	246.80	363.63
Office & Other Equipments	106.40	2.05		108.45	33.24	5.40		38.64	69.81	73.16
Computers	178.38	5.11		183.49	117.17	29.08		146.25	37.24	61.21
Vehicles	647.30	39.02	32.05	654.27	272.68	62.94	18.01	317.61	336.66	374.62
TOTAL - Current Year	10,253.21	59.57	32.05	10,280.73	4,355.85	482.18	18.01	4,820.02	5,460.71	5,897.36
Previous Year	9,674.37	750.88	172.04	10,253.21	3,980.21	491.55	115.91	4,355.85	5,897.36	5,694.16



	As at 31-03-2013 No of Units	31-03-2012 No of Units	As at 31-03-2013 Lac Rs	31-03-2012 Lac Rs
13. LONG TERM INVESTMENTS				
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 Estate 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
			236.96	236.96
In Equity Shares - Others (Unquoted & Fully Paid)				
Bharat Hotel Ltd. of Rs.10/- each	150	150	0.01	0.01
KMAHP Pvt Ltd. of Rs.10/- each	100	100	0.01	0.01
Jagriti Hydro Power Pvt Ltd. of Rs.10/- each	1,000	1,000	0.10	0.10
			0.12	0.12
In Equity Shares (Unquoted, Fully Paid up) Associate Companies				
CHL (South) Hotels Ltd of Rs.10/- each	1,00,000	1,00,000	10.00	10.00
			10.00	10.00
In Mutual Funds (Unquoted, Fully Paid)				
Osian Art Fund	1,00,000	1,00,000	10.00	10.00
Tajikistan Electricity Board Bond			0.34	0.30
			10.34	10.30
TOTAL			257.42	257.38
AGGREGATE VALUE OF	Book Value		Market Value Market Value	
Quoted Investments	236.96		60.50	114.19

	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
Lac Rs.				
14. Long Term Loans & Advances				
Unsecured, considered good				
- Capital Advances	19.62		19.62	
- Other advances	520.00		520.00	
- Intercorporate Deposit	-		10.00	
- Security Deposit	110.88		75.07	
Other Loan & advances				
- Income Tax Refundable	812.82	1,463.32	377.20	1,001.89
15. OTHER NON CURRENT ASSETS				
Unsecured, considered good				
- Long Term Trade Receivable	24.91	24.91	17.92	17.92
16. INVENTORIES				
(at cost or realisation value whichever is lower and as certified by the Management)				
i) Chinaware, Glassware, Silverware, Linen etc	130.38		137.22	
ii) Kitchen Accessories	81.88		86.31	
iii) Provision, Food, Beverages etc.	88.89		133.04	
iv) General Stores and Project Store	1,911.92	2,213.07	1,203.56	1,560.13
17. TRADE RECEIVABLES				
(Unsecured considered Good)				
i) Outstanding for over Six Months	7.67		23.97	
ii) Others	422.85	430.52	342.09	366.06
18. CASH AND BANK BALANCES				
Cash & Cash Equivalents				
i) Cash on Hand	29.65		47.01	
ii) Cheques/drafts in Hand	2.00		314.08	
iii) In current accounts	196.36		1,031.41	
Other Bank Balances				
iv) In Unpaid Dividend Account	25.30		24.06	
v) Scheduled Banks - Fixed Deposits maturing within 12 months of reporting date.	2,201.69	2,455.00	2,121.99	3,538.55
19. SHORT TERM LOANS & ADVANCES				
(Unsecured-considered good)				
Advances recoverable in cash or kind or for value to be received considered good				
- Other advances	61.93		49.36	
- Advances to Suppliers	12.16		4.76	
- Prepaid Expenses	115.93		123.33	
- Income Tax Recoverable	-	190.02	200.42	377.87
20. OTHER CURRENT ASSETS				
i) Interest accrued on Fixed Deposits	29.53		20.25	
Others - Unsecured , considered good				
ii) Claims receivable	-		19.50	
iii) Commission receivable	4.62	34.15	1.93	41.68



	Figures as at the end of current reporting period ending		Figures as at the end of previous reporting period ending	
	31st March 2013		31st March 2012	
21. REVENUE FROM OPERATIONS				
Sale of Product				
Wine & Liquor	279.77		365.70	
Food, Beverage & Smokes	1,541.04		2,025.96	
	<u>1,820.81</u>		<u>2,391.66</u>	
Less Excise Duty	3.83	1,816.98	3.73	2,387.93
Sale of Services				
Rooms	2,932.15		3,002.52	
Licence Fee	591.04		560.51	
Communications	41.85		45.01	
Other Operating Revenues	128.84		100.79	
Banquet Misc. Services	79.55		141.79	3,850.62
		<u>3,773.43</u>		<u>6,238.55</u>
		<u>5,590.41</u>		
22. OTHER INCOME				
Interest earned		234.44		325.71
Dividend Income - Long Term Investments		2.61		2.61
Foreign Currency transaction gain/(loss)		5.52		8.76
Scrap Income		6.36		11.21
Excess Provision & Other Income		34.54		75.97
Job Work Income		187.48		505.24
		<u>470.95</u>		<u>929.50</u>
23. CONSUMPTION OF PROVISIONS, WINES & SMOKES				
A. PROVISIONS, BEVERAGES & SMOKES				
Opening Stock	30.31		28.71	
Add: Purchases	440.19		642.04	
	<u>470.50</u>		<u>670.75</u>	
Less : Closing stock	22.67	447.83	30.31	640.44
B. WINE & LIQUOR				
Opening Stock	102.74		70.51	
Add: Purchases	71.48		160.89	
	<u>174.22</u>		<u>231.40</u>	
Less : Closing Stock	66.22	108.00	102.74	128.66
		<u>555.83</u>		<u>769.10</u>
24. PAYMENT TO AND PROVISION FOR EMPLOYEES				
Salaries, Wages, Stipend & Bonus		1,169.81		1,238.55
Contribution to Provident, Gratuity & Other Funds		163.45		131.86
Employees Welfare Expenses		116.49		138.75
Recruitment & Training Expenses		2.61		2.98
		<u>1,452.36</u>		<u>1,512.14</u>



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 2013

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

		2012-2013 (Rs. in lacs)	2011-2012 (Rs.in lacs)
i)	Demands / Claims not acknowledged as debt or which are under litigation ⁽ⁱ⁾	Rs. 10.00	Rs. 10.00
ii)	Bank Guarantees furnished	Rs. 67.00	Rs. 22.00
iii)	Disputed demands for taxes duties and other levies pending adjudication in appeal	Rs. 143.86	Rs. 299.65
iv)	Corporate Guarantee ⁽ⁱⁱ⁾	US\$ 180.00	US\$ 180.00

i) Rs. 6.08 lacs deposited in Delhi High Court as security.

ii) Corporate Guarantee has been given to Export/Import Bank of India against loan of same value taken by the subsidiary of the company in addition to second charge on its fixed assets.

28. Other advances are for business purposes and do-not carry interest .**29. The Fixed Deposits are pledged with:**

- i) Statutory Authorities - Rs.2.85 lacs (Rs. 3.15 lacs);
- ii) Banks against bank guarantee - Rs. 67.00 lacs (Rs. 22 lacs); and
- iii) Banks against overdraft facilities - Rs. 2176.84 lacs (Rs.2096.84 lacs).

30. No depreciation has been provided on building, plant and machinery in NSEZ Noida as the same has not been put to use.**31. No lease rent on following has neither been paid nor provided in the financial statements in the absence of any claim from the concerned authority:**

- a. NSEZ Noida Land
- b. Jaipur Land

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

In respect of the Company Rs. 22.96 Lacs (previous year Rs. 3.74 lacs)

In respect of subsidiary Rs. 3500 lacs (previous year Rs. 2500.00 Lacs)

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. 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.

36. 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.

I Assumptions :	2012-13	2011-12
Discount Rate	8.00 %	8.00 %
Rate of increase in Compensation levels	6.00 %	6.00 %
Superannuation age	58 yrs	58 yrs
Mortality		
II. Table Showing Change in Benefit Obligation :		
Projected Benefit Obligations (PBO) at the beginning of the year	62.77	63.89
Interest Cost	4.73	4.60
Service Cost	9.71	7.81
Benefits paid	(7.36)	(12.70)
Actuarial (gain) loss on obligations	(4.87)	(0.83)
PBO at the end of the year	64.97	62.77
III. Tables of Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	7.36	12.70
Benefits paid	(7.36)	(12.70)
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets At the end of the year	-	-
IV. Tables of change in Plan Assets		
Fair Value of Plan Assets at the beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions/Transfers	7.36	12.70
Benefits paid	(7.36)	(12.70)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-
V. Funded Status	(64.97)	(62.77)
VI. Limits of Corridor not considered since total actuarial gain/loss is being recognized		
Actuarial gain/(loss) for the year - Obligation	4.87	0.83
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	4.87	0.83
Actuarial (gain)/loss recognized	(4.87)	(0.83)
Unrecognized actuarial gains (losses) at the end of the year	-	-

**VII. The Amounts to be recognized in Balance Sheet and Income Statement**

and the related analysis		
Present Value of Obligation	64.97	62.77
Fair value of Plan Assets	-	-
Difference	64.97	62.77
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	64.97	62.77

VIII. Net Periodic Cost

Current Service Cost	9.71	7.81
Interest Cost	4.73	4.60
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	(4.87)	(0.83)
Expenses Recognised in the Income Statement	(9.56)	(11.58)

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

Opening Net Liability	62.77	63.89
Expense as above	9.56	11.58
Contributions/Transfers	(7.36)	(12.70)
Closing Net Liability	64.97	62.77

37. 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.

38. Contribution to Political party: Rs. NIL (Previous Year Rs. 0.11 lacs)

39. Related party transactions

Subsidiary Company	CHL International	
Associate Companies	CHL (South) Hotels Limited	
Key Management Personnel	Dr. L.K.Malhotra Mr. Luv Malhotra Mr. Gagan Malhotra	Managing Director Joint Managing Director Executive 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 31.3.2013*	Bal. as on 31.3.2012*
a)	United Exports	Purchase of goods	13.52	(1.73)	(1.40)
b)	Mohan Meakin Ltd	-do-	0.07	NIL	NIL
c)	CHL International	- Unpaid Calls	--	(92.08)	(291.74)
		- Investment	-	3632.32	3632.32

* FIGURES IN BRACKET INDICATE PAYABLE

40. Managerial Remuneration to Directors

Particulars	2012-13	2011-12
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	8.00	6.80

41. Earnings Per share

Particulars	2012-13	2011-12
Profit after Taxation	587.06	749.59
Weighted average number of equity share outstanding	109.64	109.64
Basic & Diluted earnings per share in rupee (face value Rs. 10/- per share)	5.35	6.83

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	Current Year	Previous Year
a) Food & Beverage	Nil	Nil
b) Wine & Liquor - through canalizing agencies.	34.42	53.72
c) Components, spare parts and stores	1.10	0.89
d) Capital Goods	3.03	44.61
B. Expenditure in Foreign Currency - on payment basis		
i. Technical Services	17.82	32.85
ii. Others	55.23	60.87
C. Earning in Foreign Exchange - on receipt basis		
On account of hotel services	1570.42	1600.17
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:

Final Dividend

1. No. of Non Resident shareholders	130	141
2. No. of equity shares held by them	88.28	92.29
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.	23.70	41.57
5. Year to which Relates	2011-12	2010-11

Interim dividend

1. No. of Non Resident shareholders	130	132
2. No. of equity shares held by them	88.30	88.30
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	64.57	64.57
4. Amount of Rupees (in lakhs) remitted to banks in India.	23.72	23.72
5. Year to which Relates	2012-13	2011-12



43. Amount transferred to investor education and protection fund as required under section 205 C of the Companies Act as Rs. 1.51 lacs (Previous Year Rs. 1.56 lacs)
44. 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.
45. Balance Sheet abstract and Company's General Business profile

a. Registration Details

CIN No.	L55101DL1979PLC009498
State Code	55
Balance Sheet Date	31.03.2013

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	25350.31
Total Assets	25350.31

SOURCE OF FUNDS

Paid-up Capital	1096.37
Minority Interest	1553.31
Reserve & Surplus	8084.23
Non- Current Liabilities	11280.83
Current Liabilities	3335.57

APPLICAION OF FUNDS

Net Fixed Assets	18281.90
Non Current Investments	257.42
Long Term Loans & Advances	1463.32
Other Non Current Assets	24.91
Current Assets	5322.76

d. Performance of the Company

Turnover	6061.36
Total Expenditure	5238.87
Profit / (Loss) before Tax	822.49
Profit / (Loss) after Tax	587.06

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 & on behalf of the Board of Directors

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

LUV MALHOTRA
Joint Managing Director

Dr. L. K. MALHOTRA
Chairman & Managing Director

(Gulshan Rai)
Partner
Membership No. 3921
Place : New Delhi
Date : 30th May 2013

N.K. GOEL
Vice President Finance

G.J. VARADARAJAN
Company Secretary



CHL LIMITED

Regd. Office : "HOTEL THE SURYAA", Community Centre, New Friends Colony, New Delhi-110 025
Tel. : 91-11-2683 5070 Fax : 91-11-2683 6288

PROXY FORM

Folio No. DPID No.....

No. of shares held..... Client No.....

I/We.....of.....

being a Member / Members of CHL Limited hereby appoint.....

of.....or failing him / her,.....

of.....as my / our proxy to attend and vote for me / us and on my / our behalf at the 34th ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 25th September, 2013 at 11.30 am at Hotel The Suryaa, Community Centre, New Friends Colony, New Delhi-110025 and at any adjournment thereof.

Signed this.....day of.....2013

Signature.....

Affix
Revenue
Stamp

Note : The proxies must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

CHL LIMITED

Regd. Office : "HOTEL THE SURYAA", Community Centre, New Friends Colony, New Delhi-110 025
Tel. : 91-11-2683 5070 Fax : 91-11-2683 6288

ATTENDANCE SLIP

TO BE COMPLETELY FILLED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No. DPID No.....

Client No.....

1. Name of Member / Proxy.....
(IN BLOCK CAPITALS)

2. Address.....

3. No.of shares held.....

I hereby record my presence at Wednesday, the 25th September, 2013 at 11.30 am.

Signature of Member / Proxy

Note: (1) Please bring your copy of the Annual Report.
(2) The attendance is valid only in case shares are held on the date of meeting.

If undelivered please return to :



CHL LIMITED

HOTEL THE SURYAA

NEW FRIENDS COLONY

NEW DELHI - 110 025