



CHL LIMITED

**ANNUAL REPORT
2008 - 2009**



CROWNE PLAZA[®]

DELHI



30th Annual General Meeting

Date : 23rd September, 2009
Day : Wednesday
Time : 11.30 a.m.
Place : Hotel Crowne Plaza
New Friends Colony
New Delhi-110 025

INDEX	PAGE NO.
Notice	2
Directors' Report	5
Corporate Governance	9
Auditors' Report	25
Balance Sheet	28
Profit & Loss Account	29
Cash Flow Statement	30
Schedules	31
Notes to Accounts	38
Attendance Slip/Proxy	47

BOARD OF DIRECTORS

Dr. L. K. Malhotra - Chairman & Managing Director
Mr. D. V. Malhotra
Mr. B. N. Malhotra
Mr. O. P. Bajaj
Mr. A. K. Malhotra
Mr. Kumud Malhotra
Mr. Subhash Ghai
Mr. Luv Malhotra - Executive Director
Mr. Harish C. Bhasin
Mr. R. C. Sharma

Company Secretary

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

Statutory Auditors

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

Internal Auditor & Tax 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.
HDFC Bank Ltd.

Registrar and Share Transfer Agents

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

Regd. Office

Hotel Crowne Plaza
New Friends Colony
New Delhi-110 025
Phone : 91-11-2683 5070, 4167 2222
Fax : 91-11-2683 7758, 2683 6288
E-mail : cosmohtl@del2.vsnl.net.in
<http://www.crowneplazadelhi.com>

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of CHL Limited will be held on **Wednesday, the 23rd September, 2009 at 11.30 AM** at the Registered Office of the company at Hotel Crowne Plaza, 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 2009 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A.K. Malhotra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. O. P. Bajaj who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kumud Malhotra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To declare dividend.
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 in supersession of the resolution passed by the company in the 27th Annual General Meeting, held on 27th September, 2006, in relation to the exercise of borrowing power, the consent of the company be and is hereby accorded to the Board of Directors under section 293(1)(d) of the Companies Act 1956, to borrow any sum or sums of money from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, the total amount so borrowed by the Board of Directors, shall not exceed Rs. 600 Crore.

Resolved further that the Board of Directors of the company be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution.

Resolved further that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging, on such terms and conditions as may be agreed upon, all or any part of the immovable assets of the Company, wheresoever situate both present and future or floating charge on all or any movable properties of the Company, wheresoever situate both present and future (subject to mortgages/charges/hypothecations/created/to be created by the existing lenders) together with the power to take over the management of the business and concern of the Company in certain events in favour of Banks, Financial Institutions, any other Lenders or Debenture Trustees to secure the amounts borrowed/to be borrowed by the Company from time to time for the due payment of the principal together with interest costs, charges, expenses and all other moneys payable by the Company in respect of such borrowings upto a maximum of Rs. 600 Crore (Rupees Six Hundred Crore only)".

Resolved further that the Board of Directors (hereinafter referred to as the "Board" which term shall include any "Committee of the Board" for the time being) be and is also authorized to finalise with the secured lenders the documents for creating the aforesaid mortgage and/or charge and to do all such acts and deeds as may be necessary for giving effect to this resolution."



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

Resolved that in supersession of the resolution passed by the company in the 27th Annual General Meeting held on 27th September, 2006 the consent of the company be and is hereby accorded to Board of Directors, under section 372A of the Companies Act 1956, to make any loan, give any guarantee or provide security in connection with a loan made by any other persons to, or to any other person by, any body corporate and acquire, by way of subscription, purchase or otherwise the securities of any other bodies corporate in excess of 60% of paid up share capital and free reserves or 100% of free reserves of the company, in their absolute discretion deem beneficial and in the interest of the company up to the aggregate amount of Rs. 600 Crore.

Resolved further that the Board of Directors of the company be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution.

By Order of the Board

New Delhi
Date : July 31, 2009

G.J. Varadarajan
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint 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 & Share Transfer Books of the Company will remain closed from 16th September, 2009 to 23rd September, 2009 (both days inclusive).
3. Members whose name appears as on 15th September, 2009 in the Register of members after giving effect to all valid share transfers which are lodged with the Registrar and Share Transfer Agent before 16th September 2009, and as Beneficial owner at the end of the Business hours on 15th September, 2009 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 2004-05, 2005-06, 2006-07 (Interim and Final Dividend) and 2007-08 (Interim and Final Dividend) and 2008-09 (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 is to be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company Secretary of the company at the Registered Office of the Company for revalidation of dividend warrants already dispatched/issue of demand draft in lieu of that. Thereafter, shareholders would not be able to lodge claim for the un-encashed dividends.
6. 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.
7. Shareholders may please bring their copies of the Annual Report to the Meeting.
8. 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 & 8

In the 27th Annual General Meeting of the company, the Board of Directors of the company was authorized to borrow monies not exceeding Rs. 300 Crore and to invest in securities of any body corporate for giving guarantee not exceeding Rs. 300 Crore.

The increasing business operation and future growth plans of the company would necessitate restructuring of the borrowing limits by empowering the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid up capital of the company and its free reserves but not exceeding Rs.600 Crore.

The borrowings of the company in general are required to be secured by suitable mortgage and/or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time in consultation with the lender(s).

The mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the company in favour of the lender(s)/agent(s)/trustees, with a power to take over the management of the business and concern of the company in certain events of default by the company may be regarded as disposal of the company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956.

The Company is proposing to make substantial investments in the area of business of the company. Your Company is looking for a piece of land at Mumbai/Bangalore/Agra and such other place for which your Company requires fund in the range of Rs. 200 Crore to Rs. 300 Crore. Apart from it, for renovation purpose and for the working capital we may require fund of Rs. 100 Crore.

The Company has already purchased land measuring 7.8 acres at Jaipur for resort purpose. Your company is likely to borrow money from Banks/Financial Institutions/others for construction of resort complex at Jaipur. The cost of project would be around Rs. 150 Crore.

CHL International was incorporated in the year 2001 as a Joint Venture Company at Dushanbe, Tajikistan under the Civil Code of Republic of Tajikistan with the main objective of construction of Hotels and Housing Complex. The total project cost is US \$ 25 million. Out of it, its equity component is US \$ 10 million and Loan component from Banks/ Financial Institutions/others is US \$ 15 million.

The share capital of the CHL International was increased from 10.62 million Somoni (equivalent to US \$ 2.66 million) to 25 million Somoni (equivalent to US \$ 5.69 million)

Your company is one of the main promoters of CHL International and has contributed upto 48% of its Share Capital. However, in view of the ongoing progress of the project at Dushanbe it has been decided that your company will contribute more than 51% of the expanded equity share capital of CHL International. The investment in CHL International would be in the range of Rs. 50 Crore to Rs. 60 Crore. Apart from it, your company has to guarantee the loan to be procured by CHL International.

As a measure of achieving greater financial flexibility and to enable the optimal financial structuring and to facilitate speedy implementation of the various projects, it is proposed that the Board of Directors of the company be empowered to borrow upto Rs. 600 Crore and also empowered to invest upto Rs. 600 Crore in any body corporate by way of subscription and/or purchase equity /equity related securities and/or debentures, grant of loan, guarantee, and/or providing of security from time to time.

The Board recommends this resolution for your approval.

None of the Directors are interested or concerned in these resolutions.

By Order of the Board

New Delhi
Date : July 31, 2009

G.J. Varadarajan
Company Secretary

**DIRECTORS' REPORT
TO THE MEMBERS OF
CHL LIMITED**

Your Directors are pleased to present their 30th Annual Report together with the Audited Accounts for the year ended 31st March 2009.

1. FINANCIAL RESULTS AND OPERATIONAL PERFORMANCE

Particulars	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Total Income		
Sales	8,209.27	8,709.35
Other Income	<u>289.55</u>	<u>479.24</u>
	8,498.82	9,188.59
Less: Total Expenses	5,625.70	5,138.47
Gross Profit before Interest, Depreciation and Tax	2,873.12	4,050.12
Less : Financial Charges	354.04	489.50
Depreciation	338.31	364.46
Deferred Revenue Expenditure	<u>1.40</u>	<u>1.40</u>
	693.75	855.36
Profit Before Tax	2,179.37	3,194.76
Less: Provision for Tax	851.24	1,089.61
Net Profit after Tax	1,328.13	2,105.15
Add : Profit brought forward from last year	2,801.63	1,572.85
Adjustment of last year's provision	<u>(22.19)</u>	<u>(57.07)</u>
Profit available for appropriation	4,107.57	3,620.93
APPROPRIATIONS		
Transferred to General Reserves	300.00	300.00
Proposed Dividend on equity shares including interim dividend	328.91	438.55
Tax on Dividend	55.90	80.74
Balance carried to Balance Sheet	3,422.76	2,801.64

Sales and other incomes for the year under review at Rs. 8,498.82 lacs is lower than that of the previous year (Rs.9,188.59 lacs) by 7.50% .

Operating profit before depreciation and finance charges at Rs. 2,873.12 lacs for the year under review as compared to Rs. 4,050.12 lacs for the previous year, is lower by 29.06%

Net Profit after providing tax for the year under review is to Rs. 1,328.13 lacs as compared to Rs. 2,105.15 lacs for the previous year, thus lower by 36.91% over the previous year.

2. BUSINESS REVIEW

Business in the year 2008-09 has faced a tough time. There were series of incidents like eruption of sub prime crises , raise in prices of oil, gold and other essential commodities, bankruptcy of Lehman Brothers in U. K. and collapse of some financial institutions, and the world witnessed sudden tightening of liquidity, sudden spurt of unemployment and curtailment of



demand for goods. Clearly, the crisis has moved from Financial Sector to Real Sector to Manufacturing Sector to Service Sector, thus affected the overall economy all over the world. India was not exception to this downturn. Though India was not directly exposed to sub-prime markets, domestic consumption and domestic investment got impacted. Followed by 26th November 2008 episode of terrorism at Mumbai and later on Swine Flu, the foreign tourist flow in India has got affected largely. The occupancy rate in hospitality sector in general has come down. As a result, room tariff rates also come down a lot. There is 30% to 40% reduction in the room tariff rates apart from the low occupancy rate down to 40% to 50%. Clearly there is a slow down of economic growth. However, Government of India responded swiftly by announcing Stimulus Packages and guaranteed funds for infrastructure spending. Reserve Bank of India has taken number of measures to contain the liquidity crunch. In the coming years it is hoped that the situation will improve.

3. DIVIDEND

The Board has already declared an interim dividend @ Rs. 1.50 per equity share in the Board Meeting held on 31.01.2009 for the financial year ended 31.03.2009.

The Board further recommended a Final Dividend @ Rs.1.50/- per equity share in respect of the Financial Year under review.

The Final Dividend, together with the Interim Dividend, will make the total dividend @ Rs.3.00 (30%) 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.384.81 lacs including corporate Dividend Tax.

4. DIRECTORS

Mr. A. K. Malhotra, Mr. O. P. Bajaj and Mr. Kumud Malhotra are due to retire by rotation at the forthcoming Annual General Meeting and they, being eligible, offer themselves for re-appointment.

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

CHL International was incorporated in the year 2001 as a Joint Venture Company at Dushanbe, Tajikistan under the Civil Code of the Republic of Tajikistan with the main objective of construction of Hotels and Housing Complex.

Its total project cost is US \$ 25 million. Out of it, its equity component is US \$ 10 million and loan component is US \$ 15 million.

The share capital of the CHL International was increased from 10.62 million Somoni (equivalent to US \$ 2.66 million) to 25 million Somoni (equivalent to US \$ 5.69 million). Your Company's contribution is upto 48% of the share capital of 10.62 million Somoni.

Out of two Joint Venture Partners, one Joint Venture Partner viz. Al-Zaham & Malhotra Trading and Construction Co. has, due to global recession, declined to further participate/ associate in the project. Hence, your company, now being the major Joint Venture Partner, and in view of the ongoing progress of the project at Dushanbe, will contribute more than 51% of the equity share capital of CHL International so that CHL International will become subsidiary to CHL Ltd. The investment in CHL International would be in the range of Rs. 50 Crore to Rs. 60 Crore.

7. PROJECT AT DUSHANBE

Members are aware that after completing the ground level work, for construction of Hotel at Dushanbe, civil construction of RCC work of hotel building upto 8th floor is about to complete. Mockup rooms for Suits and Standard Rooms have already been completed. The interior lay out and its design has been planned and ready for implementation and in another 1 – 1½ years' time, the entire activity of construction of Hotel Building including interior will be completed. It is hoped that the hotel starts commencing its business in the year 2011.

**8. PROJECT AT JAIPUR**

Members are aware that a piece of land measuring 7.8 acres at a cost of Rs. 2.46 Crore was acquired at Jaipur for the purpose of Resort Complex. We have applied Jaipur Development Authority for increasing the Floor Average Ratio (FAR) for the Resort Complex project so as to enable us to construct more number of rooms. Our proposal for increasing the FAR is under active consideration with Jaipur Development Authority.

9. RIGHT ISSUE

We have got approval of our Right Issue in the ratio of one equity share of Rs. 10/- each for every two equity shares held in the company at a premium of Rs. 40/- per share, aggregating the issue price Rs. 50/- per equity share from SEBI in the month of December, 2008. The validity of this approval is for a period of one year. Because of the global economic meltdown and sequences like terrorism and swine flu, Indian Economy got set back and the market condition was not conducive to bring out our right issue. However, it is foreseen that in the coming months the situation will improve and the right issue would be brought out at appropriate time subject to market condition.

10. 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 provision 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.

11. 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.

12. INFORMATION IN ACCORDANCE WITH THE PROVISION OF SECTION 217(2A) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES RULES 1975, AS AMENDED) IS GIVEN BELOW:

Name	Age	Designation	Remuneration including Directors Commission on Profits (Rs. in lac)	Qualification	Experience	Date of Joining	Last Employment
Dr. L.K. Malhotra	65	CMD	173.89	Ph.D	44 years	15.07.1985	Managing Director Ashraf & Malhotra, Kuwait
Mr. Luv Malhotra	36	ED	115.92	Master Degree in Economics from U K	11 Years	11.09.1998	GM (Coordination) CHL Limited
Mr. Gagan Malhotra	41	VP (Corporate Development)	29.59	B.Sc. University of Michigan, USA	16 Years	02.04.2007	Exe. Mgr. United Exports, New Delhi

The appointment is contractual. Their Gross remunerations comprise of salary, allowances, medical expenses, leave travel assistance, and other perquisites are subject to the Companies Act 1956 and also subject to the provisions of Income Tax Act and Rules. Dr. L.K. Malhotra is related to Mr. D.V. Malhotra, Mr. A. K. Malhotra, Mr. B.N. Malhotra and Mr. Luv Malhotra. Mr. Luv Malhotra is related to Dr L K Malhotra. Mr. Gagan Malhotra is related to Mr. Kumud Malhotra.

13. AUDITORS' REPORT

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

14. AUDITORS

Statutory Auditors

M/s G Rai & Co. Chartered Accountants, Auditors of the company, are retiring at the forthcoming Annual General Meeting of the company and being eligible, offer themselves for reappointment.

Internal Auditors

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

The Audit Committee of the Board of Directors has recommended their re-appointment.

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. 3483.07 lacs (previous year Rs. 5,174.60 lacs) and used foreign exchange to the extent of Rs. 481.95 lacs (previous year Rs. 549.74 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

New Delhi
Date : July 31, 2009

Dr. L.K. Malhotra
Chairman & Managing Director

**CORPORATE GOVERNANCE**

The core principle of Corporate Governance is that Management must have the executive freedom to drive the enterprise forward and the freedom of Management should be exercised with a frame work of checks and balances with accountability towards performance and progress. The company's Governance Principle is the establishment of a set of systems or process whereby the Directors are entrusted with responsibilities and duties of corporate affairs. Maximization of shareholders' wealth is the corner stone of the governance. It hinges on total transparency, integrity and accountability of the management which includes non executive Directors. It is about commitment to values and ethical business conduct and a high degree of transparency.

BOARD OF DIRECTORS

As on 31st March 2009, the Company has ten Members on the Board. Dr. L.K. Malhotra, Chairman and Managing Director and Mr. Luv Malhotra, Executive Director are the whole time Directors. Remaining eight Directors are Non-Executive Directors. Among the eight Directors, three are the Non-Executive Non-Independent Directors and five are the Non-Executive Independent Directors. There has been no change in composition of Board since then.

Name of Directors	Designation	No. of Directorships held in other companies*	No. of Board Committee Membership held in other companies (including Charimanship)
<u>Executive</u>			
Dr. L.K. Malhotra	Chairman & Managing Director	5	4 (Including 3 as Chairman)
Mr. Luv Malhotra	Executive Director	2	Nil
<u>Non-Executive Non-Independent</u>			
Mr. D.V. Malhotra	Director	1	Nil
Mr. B.N. Malhotra	Director	1	Nil
Mr. A.K. Malhotra	Director	1	Nil
<u>Non-Executive Independent</u>			
Mr. O.P. Bajaj	Director	Nil	Nil
Mr Kumud Malhotra	Director	Nil	Nil
Mr. Subhash Ghai	Director	4	Nil
Mr. Harish C. Bhasin	Director	6	Nil
Mr. R.C. Sharma	Director	4	4

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

All Directors have as of 31st March 2009, 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 65 years, is Hon'y Ph. D in Business Management. He has an experience of 44 years in various industries. Initially he started his carrier with M/s A. N. Malhotra & Sons, Kuwait which was engaged in trading of consumer products. He was responsible for the management of Sales & Marketing Division of the firm. After associating with various trades in Kuwait he finally shifted to India and joined CHL Limited in the capacity of Managing Director in the year 1985. He is Secretary for Indo Kuwait NRI Forum and President of Forum For Better Delhi. With the bifurcation of USSR and formation of various countries under CIS, he took active interest in promoting the relationship between India and Tajikistan and was instrumental to arrange Government level discussion between India and Tajikistan. Vide a presidential decree issued by the President of Republic of Tajikistan, he was appointed as Honorary Consul of Tajikistan for India in 1994 and continued till they opened their Embassy in New Delhi in 2003. He is President & Chairman of Mataji Melan Devi Society (Regd.), a Charitable Trust. He is also a trustee member of Swami Ram Tirath Mission, Dehradun.



2. Mr. D. V. Malhotra

Mr. D. V. Malhotra, aged 70 years, is a non-resident Indian based at Kuwait and he is one of the prominent figures of Indian origin and is known industrialist with wide and vast experience in the field of General Trading and Business in Kuwait.

3. Mr. A. K. Malhotra

Mr. A. K. Malhotra, aged 60 years, is an hotelier and has an experience of more than 20 years in the field of hospitality Industry. He is Managing Director of M/s Mela Hotels Limited.

4. Mr. O. P. Bajaj

Mr. O. P. Bajaj, aged 75 years, is a Non Resident Indian based at Bangkok. He has vast experience in the field of Managing Hotels and is a well-known Industrialist in Bangkok. He owns three Hotels in Bangkok

5. Mr. B. N. Malhotra

Mr. B. N. Malhotra, aged 78 years, is one of the outstanding personalities in Kuwait and popularly known among the Indians at Kuwait. He has established his business at Kuwait since long and has wide experience in business and is one of the prominent figures in the industrial life of Kuwait.

6. Mr. Kumud Malhotra

Mr. Kumud Malhotra, aged 48 years, is an American Citizen of Indian Origin and actively connected with project engineering both in India and in America. He is B. Arc (Hons) from IIT Kharagpur, India and Master of Science in construction management and project engineering from University of Michigan, USA. He has an experience of 27 years in the field of construction and architecture.

7. Mr. Subhash Ghai

Mr. Subhash Ghai, aged 66 years, is a renowned and well known and leading film director. He is an eminent and outstanding personality in film industry with 33 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 responsible for bringing insurance coverage to Indian Film Industry with 'Taal' being the first film to get insured. He is the founder of "Whistling Woods International"- an institute for film training. He is also working on introduction of digital production system to be installed in theaters, which will result into reducing the cost of prints to producers and reduction of running cost of prints to the theater owners. He is one of the prominent of figures in the business and film industrial life of Mumbai.

8. Mr. Luv Malhotra

Mr. Luv Malhotra, aged 36 years, He is MSc. (Economics) from University of Buckingham. He has an experience of 11 years in the field of Hospitality Industry. He joined the company as General Manager (Co-ordination) in the year 1998. Thereafter, he was inducted on the Board of the Company as an Executive Director in the year 2000. He looks after strategic planning and day to day operations of the company. He is Vice President of Hotel & Restaurant Association of Northern India.

9. Mr. Harish Chander Bhasin

Mr. Harish Chander Bhasin, aged 69 years, is well known in the Financial Services Industry. He has founded HB Group, which is a name to reckon with in financial services. He has vast and wide experience and in depth skill in financial fields especially in capital market and investment management.

10. Mr. R. C. Sharma

Mr. R. C. Sharma, aged 69 years, is an I.P.S. (Retired), and former Director of Central Bureau of Investigation. He has rich and vast experience in the fields of public administration and information technologies.



CHL LIMITED

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

Name of Directors	Date of Birth	Date of last Re-Appointment in the A.G.M.	List of other Companies in which Directorship held* including other Board committee members
Mr. A.K. Malhotra	07.10.1949	27.09.2006	1. Mela Hotels Ltd. - MD 2. Malbros Farms (P) Ltd. 3. ICS India (Pvt.) Ltd. - Chairman 4. Vatsal Foods (Pvt.) Ltd.
Mr. O.P. Bajaj	18-01-1934	27.09.2006	NIL
Mr. Kumud Malhotra	07.11.1960	30.07.2007	1. On Track Technocrat Developer Pvt. Ltd. 2. Gulistan Builders & Promoters Pvt. Ltd.
Mr. Subhash Ghai	24.01.1943	30.07.2007	1. Mukta Arts Limited – Chairman & MD 2. Whistling Woods International Limited 3. Connect 1 Ltd 4. Mukta Tele Arts Pvt. Ltd. 5. Coruscant Tec Private Ltd. 6. Red Carpet Film Ltd.
Mr. D.V. Malhotra	02.07.1939	30.07.2007	1. Cosmo Asset Reconstruction Company Limited
Mr. B.N. Malhotra	18.05.1931	30.09.2008	1. Mela Hotels Ltd.
Mr. Harish C. Bhasin	15.10.1939	30.09.2008	1. AHL Hotels Limited 2. Machino Polymers Ltd. 3. Taurus Investment Trust Co. Ltd. 4. HB Corporate Services Ltd. 5. Bhasin Share & Stock Brokers Limited 6. Raja Ram Bhasin Share & Stock Brokers Limited
Mr. R.C Sharma	24.01.1939	30.09.2008	1. Sir Shadilal Enterprises Ltd. 2. HB Portfolio Ltd. 3. PCI Ltd. 4. SIS Limited 5. Indsec Securities & Finance Ltd. Audit Committee : 1. Sir Shadilal Enterprises Ltd. 2. PCI Ltd. Remuneration Committee 1. PCI Ltd.

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

DETAILS OF NON RETIRING DIRECTORS

Name of Directors	Date of Birth	Date of last Re-Appointment in the A.G.M.	List of other Companies in which Directorship held* including other Board committee members
Dr. L. K. Malhotra	07.02.1944	15.07.2005	1. Mohan Meakin Ltd. 2. Taurus Investment Trust Co. Ltd. 3. Mohan Rocky Springwater Breweries Ltd. 4. Malbros Capital Services (Pvt.) Ltd. 5. Kyjol Entertainment Media Pvt. Ltd.

6. CHL Biotech (Pvt.) Ltd.
7. CHL (South) Hotels Ltd.
8. Cosmo Asset Reconstruction Company Ltd.

Audit Committee:

1. Mohan Meakin Ltd.
2. Taurus Investment Trust Co. Ltd.

Remuneration Committee:

1. Mohan Meakin Ltd.

Grievances Committee:

1. Mohan Meakin Ltd.

Mr. Luv Malhotra	09.03.1973	22.09.2005	<ol style="list-style-type: none"> 1. CHL (South) Hotels Ltd 2. Kyjol Entertainment Media (P) Ltd. 3. ICS (India) Pvt. Ltd. 4. Malbros Capital Services Pvt. Ltd. 5. On Track Technocrat Developer Pvt. Ltd. 6. CHL Biotech Pvt. Ltd. 7. Cosmo Asset Reconstruction Company Ltd.
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* Excluding foreign and Companies registered under Section 25 of the Companies Act 1956.

BOARD MEETINGS AND ATTENDANCE

During the year ended 31st March 2009, five Board Meetings were held.

S. No.	Date of Meeting	Board Strength	Number of Directors Present
1.	28.04.2008	10	9
2.	25.07.2008	10	8
3.	30.09.2008	10	10
4.	31.10.2008	10	8
5.	31.01.2009	10	9

ATTENDANCE IN THE MEETING

Attendance of Directors at the Board Meetings held during the financial year ended on 31st March, 2009 and at the 29th Annual General Meeting held on 30th September, 2008 is as under:

Name of Directors	No. of Board Meetings attended	Attendance at the last AGM
Dr. L.K. Malhotra	5	Yes
Mr. D.V. Malhotra	4	Yes
Mr. B.N. Malhotra	4	Yes
Mr. O.P. Bajaj	5	Yes
Mr. A.K. Malhotra	5	Yes
Mr. Kumud Malhotra	5	Yes
Mr. Subhash Ghai	1	Yes
Mr. Luv Malhotra	5	Yes
Mr. Harish C. Bhasin	5	Yes
Mr. R.C. Sharma	5	Yes

**AUDIT COMMITTEE**

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

DETAILS OF MEETINGS HELD

During the year ended 31st March 2009, four Audit Committee Meetings were held.

S. No.	Date of Meeting	Audit Committee Strength	Number of Directors Present
1.	28.04.2008	4	4
2.	25.07.2008	4	4
3.	31.10.2008	4	4
4.	31.01.2009	4	4

ATTENDANCE IN THE MEETING

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

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

REMUNERATION COMMITTEE

The Company has a Remuneration Committee, comprising of three directors. One meeting of Remuneration Committee was held.

S. No.	Date of Meeting	Remuneration Committee Strength	Number of Directors Present
1.	25.07.2008	3	2

ATTENDANCE IN THE MEETING

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

S.No.	Members of Remuneration Committee	Position	Meeting attended
1.	Mr. O.P. Bajaj	Chairman	1
2.	Mr. Subhash Ghai	Member	-
3.	Mr. Harish C. Bhasin	Member	1

REMUNERATION POLICY**Non-Executive Directors**

The Non Executive Directors are paid remuneration by way of Commission and Sitting Fees. In terms of the approval of the members at the 26th Annual General Meeting of the Company held on 10th September 2005, commission is paid at a rate not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

Commission

Commission paid/distributed to Non-executive Directors equally i.e. Rs. 3.47 lacs to each Director from 1% of the Annual net profit of the company for the year ended 31.03.2009.

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Sitting Fees**Sitting fee paid to Directors is as under :**

Name of Directors	Sitting Fees (Rs. in lac)
Non Executive	
Mr. D.V. Malhotra	0.80
Mr. B.N. Malhotra	0.80
Mr. A.K. Malhotra	1.00
Mr. O.P. Bajaj	2.00
Mr. Kumud Malhotra	1.00
Mr. Subhash Ghai	0.20
Mr. Harish C. Bhasin	2.00
Mr. R.C. Sharma	1.80
Executive	
Dr. L.K. Malhotra	1.00
Mr. Luv Malhotra	1.80

The Company did not have any pecuniary relationship or transactions with the Non Executive Directors/Executive Directors during the financial year 2008-2009.

Managing Director and Executive Director

The Company pays remuneration to its Managing Director and Executive Director by way of salary, perquisites and allowances (a fixed component) and commission (a variable component) as recommended by the Remuneration Committee. Salary is paid within the overall limits approved by the members of the Company. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee to the Board. Commission is calculated with reference to the net profits of the Company in a particular financial year subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.

Remuneration paid to working Directors is as under :**(Rs. in lac)**

Name of Directors	Salary & Allowance	Contribution to PF	Commission	Service Tenure Upto
Dr. L.K. Malhotra	96.00	7.20	70.69	14.07.2010
Mr. Luv Malhotra	64.00	4.80	47.13	21.09.2010

INVESTORS/SHAREHOLDERS GRIEVANCES COMMITTEE

The Committee was constituted by the Board in their meeting held on Oct 31, 2001. Following are the members of the Committee:-

Name of the Directors	Position
Mr. O.P. Bajaj	Chairman
Mr. Harish C 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 is 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 2009. The company furnishes necessary documents/information to shareholders.

The Company received 25 shareholder's grievances during the year which interalia included non receipt of Annual Report and past years' dividend. The grievances were duly attended to and the company has furnished necessary documents/information to the shareholders. No grievances were pending at the year end.



GENERAL BODY MEETINGS

The last three Annual General Meetings were held at Hotel Crowne Plaza, New Friends Colony, New Delhi 110025 on 27.09.2006, 30.07.2007 and 30.09.2008 respectively.

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

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 II Notes on Accounts, B-11 of Schedule 16 to the Annual Accounts for the Financial Year 2008-09. 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 491V (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

Certificate from Dr. L. K. Malhotra, Managing Director and Mr. N.K. Goel, Vice President (Finance) in terms of clause 49 (V) of the Listing Agreements with the Stock Exchanges for the financial year ended 31st March, 2009 was placed before the Board of Directors of the Company in its meeting held on 31st July, 2009.

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

Code of Conduct

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

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

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

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

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

To

All Members

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

Place : New Delhi
Date : July 31, 2009

Dr. L.K. Malhotra
Chairman & Managing Director



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MEANS OF COMMUNICATION

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 and/or Financial Express in English and Business Standard Hindi and /or Veer Arjun and Jansatta.

SHAREHOLDERS INFORMATION

30 th Annual General Meeting Date, Time and Venue	23 rd September, 2009, at 11.30A.M. at Hotel Crowne Plaza, New Friends Colony, New Delhi 110025
Financial Calendar for 2009-10 (Tentative)	Adoption of Quarterly Results
For the Quarter ending June 2009 September 2009 December 2009 March 2010	3 rd /4 th week of July 2009 October 2009 January 2010 April 2010
Book Closure Dates	16 th September, 2009 to 23 rd September, 2009 (both days inclusive)
Final Dividend Payment	Members whose names appear as on 15 th September, 2009 in the Register of members and as Beneficial owner at the end of the Business hours on 15 th Sep., 2009 as per the list to be furnished by NSDL / CDSL in respect of shares held in Electronic form, are entitled Final Dividend.

LISTING ON STOCK EXCHANGE(S)

DELHI STOCK EXCHANGE

The Equity Shares of the company stand listed on the Delhi Sock 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 2008-09.

BOMBAY STOCK EXCHANGE

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

Month	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares	No. of Trades
July 2008	50.00	247.95	50.00	209.00	53413	1181
August 2008	217.00	222.00	148.00	178.15	35008	589
September 2008	195.75	210.00	150.00	166.00	3987	126
October 2008	161.00	181.00	83.80	91.95	3947	142
November 2008	104.90	124.00	90.00	124.00	2044	24
December 2008	122.00	122.00	113.05	113.05	133	11
January 2009	107.45	133.00	97.40	122.00	2022	44
February 2009	127.00	128.00	104.55	105.00	4816	15
March 2009	100.00	109.00	100.00	103.65	53	5

The listing fee for the financial year 2009-10 has been paid to the Stock Exchanges

**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 : 011-29961281 Fax : 011-29961284
E mail : beetal@beetalfinancial.com

Share holders 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 dematerialisation of shares is sent to the respective depositories ie. 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, 2009, 7898862 Equity Shares of the company, forming 72% of the Share Capital of the company, stand dematerialized.

DIVIDEND HISTORY

The dividend history of the company is as under:-

S. No.	Financial Year	% of Dividend	Total Dividend (Rs. in lacs)
1.	1995-1996	20%	197.52
2.	1996-1997	25%	274.09
3.	1997-1998	30%	328.90
4.	1998-1999	20%	219.27
5.	1999-2000	NIL	NIL
6.	2000-2001	NIL	NIL
7.	2001-2002	NIL	NIL
8.	2002-2003	NIL	NIL
9.	2003-2004	15%	164.45
10.	2004-2005	15%	164.45
11.	2005-2006	15% (Interim) 15% (Final)	164.45 164.45



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12	2006-2007	20% (Interim) 20% (Final)	219.27 219.27
13	2007-2008	20% (Interim) 20% (Final)	219.27 219.27
14.	2008-2009	15% (Interim) 15% (Final)*	164.45 164.45

* 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 205 C 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 2004	03.09.2004	September, 2011
31st March 2005	10.09.2005	September, 2012
31st March 2006 (Interim)	30.01.2006	January, 2013
31st March 2006 (Final)	27.09.2006	September, 2013
31st March 2007 (Interim)	31.01.2007	January, 2014
31st March 2007 (Final)	30.07.2007	July, 2014
31st March 2008 (Interim)	29.01.2008	January, 2015
31st March 2008 (Final)	30.09.2008	January, 2015
31st March 2009 (Interim)	30.01.2008	January, 2016

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.

REGISTRAR AND TRANSFER AGENTS

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 dematerialised 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.

SECRETARIAL AUDIT

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

ELECTRONIC CLEARING SERVICE (ECS) FACILITY

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

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2009**

Range of shares (in Rs.)	No. of shareholders	Percentage of Shareholders to total	No. of shares held	Percentage to total shareholding
Upto 5,000	1,426	87.97	1,55,439	1.4178
5,001 to 10,000	74	4.57	68,771	0.6273
10,001 to 20,000	33	2.04	56,125	0.5119
20,001 to 30,000	25	1.54	64,264	0.5862
30,001 to 40,000	3	0.19	10,740	0.0980
40,001 to 50,000	11	0.68	53,330	0.4864
50,001 to 1,00,000	8	0.49	66,971	0.6108
1,00,001 and above	41	2.53	1,04,88,018	95.6617
TOTAL	1,621	100.00	1,09,63,658	100.0000

SHAREHOLDING PATTERN AS ON MARCH 31, 2009

CATEGORY	No. of Shareholders	No. of Shares held	Percentage of Share holding
Promoters	28	78,22,988	71.36
Banks/Financial Institutions	2	4,78,582	4.36
Private Bodies	26	24,325	0.22
NRIs/OCBs	140	23,80,576	21.71
Indian Public	1425	2,57,187	2.35
TOTAL	1621	1,09,63,658	100.00

ADDRESS FOR CORRESPONDENCE

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

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

R & T Agent

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

ECONOMIC SCENARIO

The year 2008-09 saw a global meltdown in the economic sector. There were eruption of rise in price of oil, gold and other commodities. This hike in prices has severally affected both Financial and Real Sector. The world witnessed extreme tightening of liquidity, shortage of capital, loss of employment which shrinks the confidence. Several financial institutions collapsed. We slowly entered into recession. This downturn happenings the world over did have the effect on the Indian economy though not severally.

The Indian Banking system escaped unhurt from the global financial crisis because of limited presence of foreign banks in the country. However due to global crisis, there was reduction in the foreign equity.

The RBI has taken slew of measures to combat the crisis and eased liquidity in the system by reducing short term lending and borrowing rate and the rates at which banks borrow from RBI.



While unveiling the 2009-10 budget, Finance Minister stated that the Government has planned to bring the economy to a high growth rate. To spur the economy in this budget, allocation for the infrastructure sectors has been increased by 23% compared to the previous budget.

After weathering an economic slowdown, Indian economy is now on track and poised for a 9% GDP (Gross Domestic Growth Rate Product).

HOSPITALITY SECTOR

Hospitality Sector just like any other sector is also reeling under recession. However, there is a silver line. India is "under roomed". This provides a huge opportunity for the hospitality Sector. "Common Wealth Game" is at threshold: "Aam Admi" budget provides impetus to the economic booming, particularly middle class is becoming more prosperous and domestic tourist travel is growing.

According to the Tourist Industry 4.4 million tourists visited India in the last year and considering the rush to India for business opportunity accompanied by Common Wealth Game, the tourist flow in India is expected to 8-9 million in the year 2010. This inflow of tourist will fuel the demand for rooms. With tremendous full of opportunity, the hotel industry in India is set to grow 15-20% a year. In the coming years the scenario of Indian Hospitality Industry looks bright and rosy.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Subsidiary Company

CHL International was incorporated in the year 2001 as a Joint Venture Company at Dushanbe, Tajikistan under the Companies Act of Tajikistan with the main objective of construction of Hotels and Housing Complex. Your company at present have 48% stake in the CHL International. It is proposed to increase its holding more than 51%, on its expanded capital base, as a result, CHL International would become subsidiary of the CHL Ltd.

(b) A Profile of the business unit

Hotel Crowne Plaza, a 5-Star Deluxe Hotel owned by CHL Limited is located at New Friends Colony in South Delhi at a distance of 20 minutes drive from Connaught Place and 40 minutes drive from the domestic airport. The Hotel is a member of the Inter Continental Hotels Group, the leading global hotel company.

The Hotel has 142 superior, spacious rooms, 92 stunningly designed club rooms, 10 deluxe suites 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; Sampan – the 94 cover restaurant for authentic Cantonese and Szechwan Specialties with a live band and a panoramic roof top view of the city; Le café – the 24 hour multi cuisine restaurant; Atrium Lounge Bar – one can enjoy the world's finest liquors and sprits; Mirage- Discotheque – music played can range from Dj, hip hop to house and trance in one of the advanced acoustic ambience; Club one – the fitness center which offers a full fledged ayurvedic treatment center cum spa, physical therapy, cardiopulmonary rehabilitation and weight control programs.

(c) 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.

(d) 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.

(e) Financial performance and operational performance

Budgetary control on all key operational performance indicators and review of working capital is being exercised for continuous improvement of performance and profitability. The company's financial performance for the year under review is not impressive as compared to last year's performance due to global meltdown. The turnover of the company is lower by 7.50% as compared to the previous year's turnover. Operating Profit and Net Profit after Tax for the year under review are lower by 29.06 % and 36.91% respectively over the previous year's figure. It is hoped that in the coming years the situation will improve.



(f) Human Resources and Industrial Relations

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

(g) 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, 2009:

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 a 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: July 31, 2009

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/1, Asaf Ali Road, New Delhi 110 002
Phone : 011-23231847, 0124-4041328
E-mail : 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, 2009, 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**

New Delhi
Date : July 31, 2009

ARVIND CHADHA
Proprietor
Membership No. 5271



A. CHADHA & ASSOCIATES

Company Secretaries

29 A/1, Asaf Ali Road, New Delhi 110 002

Phone : 011-23231847, 0124-4041328

E-mail : arvindchadha@yahoo.com

SECRETARIAL AUDIT REPORT

The Board of Directors

CHL LTD

Hotel Crowne Plaza

New Friends Colony

New Delhi 110 025

We have examined the registers, records and documents of CHL Ltd ("the Company") for the financial year ended on March 31, 2009 maintained under the provisions of-

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1956 and the Regulations and the Byelaws framed under the Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') –
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act; and
- The Equity Listing Agreement with Bombay Stock Exchange Limited and Delhi Stock Exchange.

1. We report that, based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, the Company has, in my opinion, complied with the Provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, and Memorandum and Articles of Association of the Company, with regard to :

- (a) Maintenance of statutory registers and documents and making in them necessary entries.
- (b) Closure of Register of Members ;
- (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- (d) Service of documents by the Company on its Members, Registrar of Companies;
- (e) Notice of Board meetings and Committee meetings of Directors;
- (f) The meetings of Directors and Committees of Directors.
- (g) The 29th Annual General Meeting held on 30th September, 2008;
- (h) Minutes of proceedings of General Meetings and Board and other meetings;
- (i) Approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
- (j) Constitution of the Board of Directors and appointment, retirement and re-appointment of Directors;
- (k) Remuneration of Directors including the Managing Director and Executive Director;



- (l) Appointment and remuneration of Auditors.
 - (m) Transfers and transmissions of the Company's shares and issues and delivery of original and duplicate certificates of shares;
 - (n) Form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule:
 - (o) Borrowings and registration, modifications and satisfaction of charges;
 - (p) Investment of the Company's funds including inter corporate loans and investments;
 - (q) Generally, all other applicable provisions of the Act and the Rules under that Act.
2. We further report that :
- (a) The Directors of the Company have obtained Director Identification Number as per Sections 266A of the Act,
 - (b) The Directors have complied with the requirements as to disclosure of interests and concerns in contacts and arrangements, shareholdings /debenture holdings and directorships in other companies and interests in other entities
 - (c) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
 - (d) The Company has obtained all necessary approvals of the Central Government and / or other authorities, under the Act.
 - (e) There was no prosecution initiated against, or show cause notice received by, the Company and no fines or penalties were imposed on the Company under the Companies act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Offices.
3. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Regulations and the Byelaws framed there under with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. We further report that, the Company has complied with :
- (a) The requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange and Stock Exchanges.
 - (b) The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to the disclosures and maintenance of records required under the Regulations.
 - (c) the provisions of the Securities and Exchange Board of India Disclosure and maintenance of records required under the Regulations.

**For A. CHADHA & ASSOCIATES
COMPANY SECRETARIES**

**ARVIND CHADHA
Proprietor
Membership No. 5271**

New Delhi
Date : July 31, 2009



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

We have audited the attached Balance Sheet of M/s. CHL LIMITED, as at 31st March 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956; subject to:
Note No. K-(ii) regarding accounting of license fee from shops on receipt basis instead of on accrual as required by AS-9. (In the absence of requisite information the effect on profit has not been quantified)
- (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, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) Subject to the qualification mentioned in para (iv) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009; and
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended March 31, 2009.
 - (c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For G. RAI & CO.
CHARTERED ACCOUNTANTS**

**(GULSHAN RAI)
PROPRIETOR**

MEMBERSHIP NO. 3921

PLACE : NEW DELHI
Date : July 31, 2009

**ANNEXURE
(TO THE AUDITORS' REPORT DATED 31-07-2009)**

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 of 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) the 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 2009 for a period of more than 6 months from the date they became payable.
 - c. Dues relating to items, as listed below which have not been deposited as on 31st March 2009 on account of disputes with the related authorities.



CHL LIMITED

Name of the Statue	Nature of Dues	Amount	Period to which the amount related	Forum where dispute is pending
Income-tax Act 1961	I. Tax	51,76,278.00	AY 2000-01	CIT (Appeal)
Income-tax Act 1961	I. Tax (Penalty)	10,000.00	AY 2001-02	ITAT
Income-tax Act 1961	I. Tax	33,81,982.00	AY 1999-00	CIT (Appeal)
Income-tax Act 1961	I. Tax	86,13,730.00	AY 2005-06	CIT (Appeal)
Income-tax Act 1961	I. Tax	1,44,99,390.00	AY 2006-07	CIT (Appeal)

The department had adjusted the dues against refunds till the matter is resolved.

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.
16. During the year, the company has not taken any term loan & therefore, the provisions of clause 4(xvi) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
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 during the year 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

(GULSHAN RAI)
PROPRIETOR
MEMBERSHIP NO. 3921

PLACE : NEW DELHI

Date : July 31, 2009

**CROWNE PLAZA®**

DELHI

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at	
		31st March, 2009	As at 31st March, 2008
		Rs.	Rs.
SOURCES OF FUNDS			
Shareholder's Funds			
Capital	1	10,96,36,580	10,96,36,580
Reserves and Surplus	2	<u>59,33,70,561</u>	<u>50,12,57,941</u>
Loan Funds			
Secured Loans	3	30,47,60,188	34,85,77,901
Deferred Tax Liabilities		5,64,00,966	5,41,88,198
Security deposit		2,17,68,795	1,98,95,752
TOTAL		<u><u>1,08,59,37,090</u></u>	<u><u>1,03,35,56,372</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	88,37,47,366	85,37,27,145
Less: Depreciation		<u>33,36,06,232</u>	<u>30,30,95,584</u>
Net Block		<u>55,01,41,134</u>	<u>55,06,31,561</u>
Capital Work in progress		<u>2,08,39,844</u>	-
Investments	5	6,73,15,206	11,44,73,598
Current Assets, Loans and advances			
Inventories	6	3,33,27,068	3,80,87,272
Sundry Debtors		4,65,13,366	6,19,46,571
Cash and Bank Balances		22,18,11,901	12,77,30,480
Loans and Advances		<u>26,74,74,697</u>	<u>28,64,15,507</u>
		<u>56,91,27,032</u>	<u>51,41,79,830</u>
Less Current Liabilities and Provisions			
Current Liabilities		8,66,95,531	11,08,02,014
Provisions		<u>3,49,30,838</u>	<u>3,52,07,084</u>
		<u>(12,16,26,369)</u>	<u>(14,60,09,098)</u>
Net current Assets		44,75,00,663	36,81,70,732
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Deferred Revenue Expenditure		1,40,243	2,80,481
TOTAL		<u><u>1,08,59,37,090</u></u>	<u><u>1,03,35,56,372</u></u>
Notes to the Accounts	16		

As per our report of even date attached

for G. Rai & Co.
Chartered AccountantsO.P. BAJAJ
Director

For and on behalf of the Board of Directors

Dr. L. K. MALHOTRA
Chairman & Managing Director(Gulshan Rai)
Proprietor
Membership No. 3921G. J. VARADARAJAN
Company SecretaryN.K. GOEL
Vice President (Finance)New Delhi
Date : July 31, 2009



CHL LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the year ended 31st March, 2009 Rs.	For the Year ended 31st March, 2008 Rs.
INCOME			
Rooms, Food, Beverage, Smokes & Other Services	8	82,09,27,291	87,09,34,938
Other Income	9	2,89,55,240	4,79,23,604
		84,98,82,531	91,88,58,542
EXPENDITURE			
Consumption of Provisions, Wines & Smokes	10	7,26,42,424	5,83,71,458
Payment to and provision for employees	11	16,80,25,459	15,84,83,843
Operating & General Expenses	12	26,49,73,664	23,68,22,261
Selling Expenses	13	5,69,28,952	6,01,70,173
Financial Expenses	14	3,54,03,928	4,89,49,447
		59,79,74,427	56,27,97,182
Profit before depreciation , Provision for Taxation & Deferred Revenue Expenditure		25,19,08,104	3,56,061,360
Depreciation		3,38,31,398	3,64,45,661
Deferred Revenue Expenditure		1,40,238	1,40,239
Profit /(Loss) before Tax		21,79,36,468	31,94,75,460
Provision for Taxes	15	8,51,24,434	10,89,61,048
Profit/(Loss) for the year		13,28,12,034	21,05,14,412
Adjustment of last year's provision		(22,18,619)	(57,06,948)
Profit / (Loss) brought from last year		28,01,63,816	15,72,85,169
Profit/(Loss) available for appropriation		41,07,57,231	36,20,92,633
APPROPRIATIONS			
Transferred to General Reserve		3,00,00,000	3,00,00,000
Proposed & Interim Dividend		3,28,90,974	4,38,54,632
Income Tax on Proposed & Interim Dividend		55,89,821	80,74,185
Balance carried to Balance Sheet		34,22,76,436	28,01,63,816
Earnings Per Share			
Basic/Diluted earnings per share		12.11	19.20
Face value per share		10	10

As per our report of even date attached

for **G. Rai & Co.**
Chartered Accountants

O.P. BAJAJ
Director

For and on behalf of the Board of Directors

Dr. L. K. MALHOTRA
Chairman & Managing Director

(Gulshan Rai)
Proprietor
Membership No. 3921

G. J. VARADARAJAN
Company Secretary

N.K. GOEL
Vice President (Finance)

New Delhi
Date : July 31, 2009

**CROWNE PLAZA®**

DELHI

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-2009	2007-2008
	(Rs. in lacs)	(Rs. in lacs)
A) Cash Flow From Operating Activities		
Net Profit before Tax & Extraordinary Items	2,179.36	3,194.75
Adjustments for		
Depreciation	338.31	364.46
Dividend Income	(2.36)	(33.28)
Misc. Expense Written off	1.40	1.40
Loss/(Profit) on Sale of Assets	(0.56)	2.39
Scrapped/Discarded Assets written off	11.10	79.69
Profit / (Loss) on sale of Investment	270.33	(44.98)
Interest Expenditure	354.04	489.49
Interest Received	(196.65)	(317.70)
Operating Profit before Working Capital Changes	2,954.96	3,736.22
Adjustments for		
(Increase) / Decrease in Inventories	47.60	(137.73)
Increase / (Decrease) in Trade Payables & Provisions	(195.58)	94.15
(Increase) / Decrease in Trade & Other Receivables	21.20	(207.58)
(Increase) / Decrease in Loans & Advances	3.58	
Cash generated from Operations	2,831.76	3,485.06
Income Tax (Paid)/Refund	(844.14)	(1,167.08)
Net Cash from Operating Activities	(A) 1,987.62	1,442.98
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(397.76)	(1,721.39)
Sale of Fixed Assets	23.61	7.24
Inter-corporate Deposit	(50.00)	(875.00)
Purchase of Investment	250.08	(1,317.18)
Sale of Investments	(236.20)	1,424.85
Advance to Associate Companies	390.00	(487.00)
Interest Received	196.65	289.15
Dividend Received	2.36	33.28
Net Cash used in Investing Activities	(B) 178.74	(2,646.05)
C) Cash Flow from Financing Activities		
Interest Paid	(354.03)	(489.49)
Increase / (Decrease) in Security Deposit	18.71	22.00
Dividend Paid	(383.72)	(438.16)
Dividend Tax Paid	(68.32)	(74.53)
Increase / (Decrease) in long term Borrowing	(561.74)	(566.94)
Increase / (Decrease) in Short term Loan	123.56	538.53
Net Cash used in Financing Activities	(C) (1,225.54)	(1,008.59)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	940.82	(1,336.68)
Cash & Cash Equivalent (Opening Balance)	1,277.30	2,613.98
Cash & Cash Equivalent (Closing Balance)	2,218.12	1,277.30

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 2009 and the related Profit and Loss Account for the year ended on that date.
- Cash and Cash equivalent includes Interest Accrued of Rs.NIL (Previous Year Rs. 4.90)
- Payment of Tax includes Fringe Benefit Tax of Rs.32.93 Lacs (Previous Year Rs. 26.00 lacs)
- 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 and on behalf of the Board of Directors

for G. Rai & Co.
Chartered Accountants**O.P. BAJAJ**
Director**Dr. L. K. MALHOTRA**
Chairman & Managing Director**(Gulshan Rai)**
Proprietor
Membership No. 3921**G. J. VARADARAJAN**
Company Secretary**N.K. GOEL**
Vice President (Finance)New Delhi
Date : July 31, 2009

**CHL LIMITED****SCHEDULE 1 TO 16 - ANNEXURE TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

		As at 31st March, 2009 Rs.		As at 31st March, 2008 Rs.
<u>SCHEDULE - 1 SHARE CAPITAL</u>				
3,00,00,000	Authorised Equity Shares of Rs. 10/- each (Previous Year 3,00,00,000)	30,00,00,000	30,00,00,000	30,00,00,000
1,09,63,658	Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each (Previous Year 1,09,63,658)	10,96,36,580	10,96,36,580	10,96,36,580
		10,96,36,580	10,96,36,580	10,96,36,580

SCHEDULE - 2 RESERVES AND SURPLUS

	CAPITAL RESERVE	94,125		94,125
	CAPITAL REDEMPTION RESERVE	1,10,00,000		1,10,00,000
	GENERAL RESERVE			
	As per last Balance Sheet	21,00,00,000	18,00,00,000	
	Add Transferred from Profit & Loss Account	3,00,00,000	3,00,00,000	21,00,00,000
	PROFIT & LOSS ACCOUNT	34,22,76,436		28,01,63,816
	TOTAL	59,33,70,561		50,12,57,941

SCHEDULE - 3 LOAN FUNDS**SECURED LOANS****TERM LOAN****The Hongkong & Shanghai Banking Corporation Ltd.**

Secured against fixed assets See Note No 1	22,66,66,672	28,33,33,336
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BANKS

Against hypothecation of Vehicles See Note No 2	1,18,83,265	23,85,49,937	1,13,91,150	29,47,24,486
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OTHERS**OVER DRAFT FROM BANKS AGAINST FIXED DEPOSIT**

ICICI BANK LTD	-		2,57,284	
HDFC BANK LTD	6,62,10,251	6,62,10,251	5,35,96,131	5,38,53,415
		30,47,60,188		34,85,77,901

Note 1 : Secured against the entire fixed assets and current assets of the company (Repayable in one year Rs. 566.67 Lacs)
Previous Year Rs. 566.67 Lacs

Note 2 : Repayable within one year Rs. 43.67 Lacs (Previous Year Rs. 39.22 Lacs).

SCHEDULE - 4 FIXED ASSETS

(Figures in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions during the year	Sales/ Transfer	As at 31.03.2009	As on 01.04.2008	During the year	Adjust- ments/ Transfer	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land (Leasehold)	5,73,47,811	2,22,122	-	5,75,69,933	-	-	-	-	5,75,69,933	5,73,47,811
Land & Building (Noida)	2,30,87,520	3,20,244	-	2,34,07,764	-	-	-	-	2,34,07,764	2,30,87,520
Building	28,61,09,950	22,13,936	-	28,83,23,886	4,85,68,458	36,32,649	-	5,22,01,107	23,61,22,779	23,75,41,492
Plant & Machinery	29,11,06,484	1,87,92,422	2,51,254	30,96,47,652	17,28,78,641	1,57,17,425	6,959	18,85,89,107	12,10,58,545	11,82,27,845
Plant & Machinery (Noida)	90,90,010	-	-	90,90,010	-	-	-	-	90,90,010	90,90,010
Furniture, Fixture and Fitting	10,60,04,752	4,3,22,413	7,76,530	10,95,50,635	5,91,00,654	88,64,208	40,946	6,79,23,916	4,16,26,719	4,69,04,098
Office & Other Equipments	78,74,721	14,10,619	68,772	92,16,568	9,58,979	3,91,622	2,344	13,48,257	78,68,311	69,15,742
Computers	1,49,46,356	6,83,462	71,000	1,55,58,818	33,86,763	8,94,144	6,855	42,74,052	1,12,84,766	1,15,59,593
Vehicles	5,81,59,540	87,90,757	55,68,197	6,13,82,100	1,82,02,090	43,31,350	32,63,647	1,92,69,793	4,21,12,307	3,99,57,450
TOTAL - Current Year	85,37,27,144	3,67,55,975	67,35,753	88,37,47,366	30,30,95,585	3,38,31,398	33,20,751	33,36,06,232	55,01,41,134	55,06,31,561
Previous Year	73,17,09,666	17,78,48,160	5,58,30,681	85,37,27,145	31,35,48,334	3,64,45,661	4,68,98,411	30,30,95,584		
Capital Work in Progress									2,08,39,844	-
TOTAL									57,09,80,978	55,06,31,561



CHL LIMITED

As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
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SCHEDULE - 5 INVESTMENTS (AT COST)

LONG TERM INVESTMENTS

In Equity Shares (Quoted & Fully Paid)

75 EIH Ltd. of Rs.2/- each (Previous Year 75)	2,096	2,096
100 Indian Hotel Ltd. of Rs.1/- each (Previous Year 100)	1,536	1,536
15 ITC Ltd. of Rs.1/- each (Previous Year 15)	443	443
50 Asian Hotel Ltd. of Rs.10/- each (Previous Year 50)	3,500	3,500
250 Hotel Leela Venture Ltd. of Rs.2/- each (Previous Year 250)	730	730
500 Advani Hotels & Resorts (India) Ltd. of Rs.2/- each (Previous Year 500)	560	560
50 EIH Associate Hotels Ltd. of Rs.10/- each (Previous Year 50)	520	520
100 Royale Manor Hotels & Industries Ltd. of Rs.10/- each (Previous Year 100)	165	165
100 Sayaji Hotel Ltd. of Rs.10/- each (Previous Year 100)	205	205
5000 Morepen Laboratories Ltd. of Rs. 2/- each (Previous Year 10000)	74,800	1,49,600
8200 Sabero Organics Limited of Rs.10/- each (Previous Year 10700)	2,74,201	3,57,793
10 Taj GVK Hotels & Resorts Ltd of Rs.2/- each (Previous Year 10)	2,691	2,691
10 Jaypee Hotels Ltd of Rs. 10/- each (Previous Year 10)	854	854
50000 Essar Steel Ltd of Rs. 10/- each (Previous Year 50000)	21,63,196	21,63,196
100000 Penta Media Graphics Ltd. of Rs. 1/- each (Previous Year 100000)	1,00,000	1,00,000
28800 Reliance Power Ltd. of Rs.10/-each (Previous Year 18000)	62,77,010	62,77,010
	89,02,507	90,60,899

In Equity Shares (Unquoted & Fully Paid)

150 Bharat Hotels Ltd. of Rs.10/- each (Previous Year 150)	1,386	1,386
200 Anand Infodge Pvt Ltd of Rs. 10/-each (Previous Year 200)	25,000	25,000
100 KMAHP Pvt Ltd. of Rs.10 each(Previous Year 30000)	1,000	1,000
324500 Jaipur Stock Exchange of Rs. 10/- each (Previous Year 324500)	58,41,000	58,41,000
	58,68,386	58,68,386

In Equity Shares (Unquoted, Fully Paid up) Associate Companies

27650 CHL International Inc. of Somoni 100 each(Previous Year 27650)	3,94,44,313	3,94,44,313
100000 CHL (South) Hotels Ltd of Rs.10/- each (Previous Year 100000)	10,00,000	10,00,000
10000 CHL Biotech Pvt Ltd of Rs.10/= each (Previous Year 10000)	1,00,000	1,00,000
	4,05,44,313	4,05,44,313

In Units/Mutual Funds (NAV Quoted and Fully Paid)

100000 Osian Art Fund	10,00,000	10,00,000
900000 DSP Black Rock Micro Cap Fund	90,00,000	90,00,000
200000 HDFC Midcap Opportunity Fund	20,00,000	20,00,000
JM Small & Midcap Fund	-	30,00,000
ICICI Prudential Dynamic Fund	-	25,00,000
Fidelity International Opportunity Fund	-	30,00,000
JP Morgan India Equity Fund	-	50,00,000
Sundaram BNP Paribas Select Midcap Fund	-	30,00,000
AIG India Equity Fund	-	25,00,000
Birla Sunlife International Equity Fund	-	5,00,00,000
Sundaram BNP Paribas Select Thematic Energy Opportunity Fund	-	25,00,000
ING Global Real Estate Fund	-	25,00,000
Optimix Multi Manager Equity Fund	-	1,00,00,000
AIG Infrastructure & Economic Reform Fund	-	40,00,000
HDFC Infrastructure Fund	-	40,00,000
	1,20,00,000	5,90,00,000

TOTAL

	6,73,15,206	11,44,73,598
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	Book Value	Market Value	Book Value	Market Value
AGGREGATE VALUE OF Quoted Investments	2,09,02,507	1,53,94,390	6,80,60,899	6,31,39,400

Purchase and Sale/Redemption during the year

	No	Purchases Cost	Sales/Redemption No	Value
Mutual Funds Redemption during the year	-	-	36,20,429	4,70,00,000
Quoted Share sold during the year	-	-	7,500	1,58,392

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
<u>SCHEDULE - 6 CURRENT ASSETS, LOANS & ADVANCES</u>		
A. Current Assets		
I. INVENTORIES (at cost or realisation value whichever is lower and as certified by the Management)		
i) Chinaware, Glassware, Silverware ,Linen etc	1,14,31,589	1,26,23,461
ii) Kitchen Accessories	75,84,746	62,49,923
iii) Provision, Food, Beverages etc.	1,04,95,160	1,45,49,675
iv) General Stores and Spares	<u>38,15,573</u>	<u>46,64,213</u>
	3,33,27,068	3,80,87,272
II. SUNDRY DEBTORS (Unsecured considered Good)		
i) Outstanding for over Six Months	17,381	28,822
ii) Others	4,26,37,096	6,19,17,749
iii) Considered Doubtful	<u>38,58,889</u>	<u>-</u>
	4,65,13,366	6,19,46,571
III. CASH AND BANK BALANCES		
i) Cash & Cheques on Hand	8,24,527	14,64,682
ii) Scheduled Banks		
a) In current Accounts	1,53,46,557	99,80,231
b) In fixed deposits Accounts	20,56,40,817	11,57,96,005
c) Interest accrued & due	<u>-</u>	<u>4,89,562</u>
	22,18,11,901	12,77,30,480
B. LOANS AND ADVANCES (Unsecured-considered good)		
i) Advances recoverable in cash or kind or for value to be received-considered good	7,28,57,689	11,67,57,995
ii) CHL International, Tajikistan	15,95,22,565	9,09,01,815
iii) CHL (South) Hotels Ltd.	-	4,50,00,000
iv) CHL Biotech Pvt Ltd	5,00,000	5,00,000
iv) Security Deposits	24,85,152	25,35,152
v) Prepaid Expenses	1,10,03,449	92,56,649
vi) Income Tax/Tax Deducted at Source	<u>2,11,05,842</u>	<u>2,14,63,896</u>
	26,74,74,697	28,64,15,507
	56,91,27,032	51,41,79,830

SCHEDULE - 7 CURRENT LIABILITIES AND PROVISIONS

A CURRENT LIABILITIES

Sundry Creditors	8,34,27,917	10,93,19,741
Unclaimed Dividend	<u>32,67,614</u>	<u>14,82,273</u>
	8,66,95,531	11,08,02,014

B PROVISIONS

i) Provision for Taxation	-	1,96,797
ii) Proposed Dividend	1,64,45,487	2,19,27,316
iii) Income Tax on Proposed Dividend	27,94,910	37,26,547
iv) Provision for Employees Benefits	<u>1,56,90,441</u>	<u>93,56,424</u>
	3,49,30,838	3,52,07,084
	12,16,26,369	14,60,09,098

**CHL LIMITED**

For the year ended
31st March, 2009
Rs.

For the year ended
31st March, 2008
Rs

SCHEDULE - 8 INCOME FROM GUEST ACCOMODATION, RESTAURANTS, BARS & BANQUETS ETC.

Rooms	49,66,78,297	57,30,41,620
Food, Beverage & Smokes	20,02,44,110	19,95,66,654
Wine & Liquor	3,98,87,742	3,06,23,653
Licence Fee	4,61,96,583	3,25,37,601
Telex & Telephones	92,67,541	85,42,460
Health Club & Beauty Parlour	1,26,04,768	1,24,27,407
Other Services	1,60,48,250	1,41,95,543
	<u>82,09,27,291</u>	<u>87,09,34,938</u>

SCHEDULE-9 OTHER INCOME

Interest earned	1,96,65,506	3,17,70,313
Dividend Income	2,36,441	33,27,953
Scrap & Other Income	71,78,324	71,35,478
Profit on Sale of Investment	-	44,98,463
Profit on Sale of Assets	56,339	-
Excess Provisions & Miscellaneous Income	18,18,630	11,91,397
	<u>2,89,55,240</u>	<u>4,79,23,604</u>

SCHEDULE-10 CONSUMPTION OF PROVISIONS, WINES AND SMOKES**A. PROVISIONS, BEVERAGES & SMOKES**

Opening Stock	20,74,442	17,37,579
Add : Purchases	5,58,29,099	4,48,47,510
	<u>5,79,03,541</u>	<u>4,65,85,089</u>
Less : Closing stock	22,60,238	20,74,442
	<u>5,56,43,303</u>	<u>4,45,10,647</u>

B. WINE & LIQUOR

Opening Stock	1,24,75,233	53,03,422
Add : Purchases	1,27,58,810	2,10,32,622
	<u>2,52,34,043</u>	<u>2,63,36,044</u>
Less : Closing Stock	82,34,922	1,24,75,233
	<u>1,69,99,121</u>	<u>1,38,60,811</u>
	<u>7,26,42,424</u>	<u>5,83,71,458</u>

SCHEDULE-11 EMPLOYEES' REMONERATION & WELFARE EXPENSES

Salaries, Wages, Stipend & Bonus	13,27,62,102	13,35,80,543
Contribution to Provident, Gratuity & Other Funds	2,02,40,544	1,29,26,748
Employees Welfare Expenses	1,50,22,813	1,19,76,552
	<u>16,80,25,459</u>	<u>15,84,83,843</u>

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
SCHEDULE - 12 OPERATING AND GENERAL EXPENSES		
Linen, Room Catering and other Supplies	2,97,37,020	2,67,62,227
Power & Fuel	6,88,03,417	7,28,63,524
Repairs : Machinery	2,21,01,282	2,10,78,556
Building	2,05,11,016	1,03,89,031
Others	72,53,389	74,32,432
Rent, Rates & Taxes	1,61,49,694	1,36,69,220
Insurance	19,91,002	17,96,994
Directors Sitting Fee	12,40,000	12,80,000
Telephone, Telex & Postage	62,77,209	67,45,422
Operational Expenses	3,55,16,899	4,00,58,427
Travelling & Conveyance - Directors	47,00,439	61,89,951
Travelling & Conveyance - Others	1,21,42,820	1,22,05,831
Legal & Professional Expenses	87,17,537	81,16,009
Claims & Settlements	11,52,125	-
Loss on sale of Fixed Assets	-	2,39,111
Loss on Investment - Long Term	1,19,21,450	-
- Current Term	1,51,12,051	-
Bad debts/advances written off	5,35,862	26,813
Operating Equipments & Assets Written off	11,10,452	79,68,713
	<u>26,49,73,664</u>	<u>23,68,22,261</u>
Legal & Professional expenses includes		
Payment to Auditors : As Audit Fee	5,05,620	5,05,620
: For Other Services	1,12,360	1,12,360

SCHEDULE - 13 SELLING EXPENSES

Marketing, Reservation, Franchise & Technical Services	2,07,12,531	2,53,51,992
Advertisement & Publicity	85,90,327	1,01,84,001
Commission	1,41,52,472	1,07,24,926
Other Selling Expenses	1,34,73,622	1,39,09,254
	<u>5,69,28,952</u>	<u>6,01,70,173</u>

**CHL LIMITED**

For the year ended
31st March, 2009
Rs.

For the year ended
31st March, 2008
Rs

SCHEDULE - 14 FINANCIAL EXPENSES

I) Interest on Term Loan	2,64,97,763	3,25,66,058
ii) Interest on working capital	76,61,816	1,19,85,885
iii) Interest Others	11,769	-
iv) Bank Charges	12,32,580	43,97,504
	<u>3,54,03,928</u>	<u>4,89,49,447</u>

SCHEDULE - 15 PROVISION FOR TAXES

- Provision for Income Tax	7,97,74,087	10,80,19,428
- Provision for Fringe Benefit Tax	28,50,289	27,96,797
- Provision for Wealth Tax	2,87,290	2,70,663
- Provision for Deferred Tax	22,12,768	(21,25,840)
Total Provision	<u>8,51,24,434</u>	<u>10,89,61,048</u>

SCHEDULE - 16 NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March 2009

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. The financial statements are prepared under the historical cost convention method, except as stated otherwise, in accordance with generally accepted accounting principles and mandatory Accounting Standard, issued by the Institute of Chartered Accountant of India and referred to in section 211(3C) of the Companies Act, 1956.

2. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

B) FIXED ASSETS AND DEPRECIATION

1. Fixed assets are stated at cost, less 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 paid to suppliers of material, labor, services and other related 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 operations.

2. 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.

3. 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.

4. Increase in cost of the asset(s) (acquired prior to 01/04/1988) on account of exchange fluctuation in foreign currency loan, is treated as a separate asset. No adjustment is made in the carrying cost of these asset(s), in respect of assets(s) sold / discarded if the cost of such asset was not ascertainable. The depreciation on such assets is provided at weighted average rate retrospectively based on residual life of the asset which is as follows: -

Class of Asset	Depreciation Rate (%)
Building	1.89
Plant & Machinery	9.20

5. Depreciation on other tangible assets 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.

6. 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 they are recorded in excess of their recoverable amounts, and where carrying amounts exceed the recoverable amount of the ass, asset(s) are written down to their recoverable amount.

D) INTANGIBLE ASSETS

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

E) ASSETS ON LEASE

Accounting treatment of assets taken on lease after 01/04/01 is being made 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 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 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 or where the amount of difference is not material.

H) 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.

I) CURRENT ASSETS

Inventories are valued at lower of cost and estimated net realizable value after providing for cost of obsolescence and other anticipated loss whenever considered necessary. Cost is determined by using the first in, first out (FIFO) basis.

Linen, Glassware, Chinaware etc. 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

Consequent to the adoption of Accounting Standard 15 (Revised 2006) on "Employees Benefits", the company has classified various benefits to employees under "Defined Contribution Plans, and Defined Benefit Plans".

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. Sales and Services are stated net of discount / allowances.
- ii. Claims recoverable are recognized to the extent admitted by the parties. License fee from shops are recognized in the year of receipts, as per practice consistently followed. 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 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.

iv. Claims by customers under reward schemes of sales promotion program are recognized on acceptance.

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 time difference 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) LIABILITIES

Liabilities in respect contractors engaged in extensive repairs/renovation of guest floors, outlets, facilities and for provision of services relating thereto are accounted for in the year in which the same are put to commercial use. All payments till completion are shown under the head "Capital work in progress"

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

II. NOTES ON ACCOUNTS

1. Contingent liabilities not provided for in respect of

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
i) Demands Claims not acknowledged as debt or which are under litigation	8.00*	8.00*
ii) Bank Guarantees furnished	31.58	13.88
iii) Disputed demands for taxes duties and other levies pending adjudication in appeal	316.81	335.37
iv) Dispute demand on account of introduction of New Unit Area Multiple factor	Not Accertainable	Not Accertainable

* includes claim against which FDR for Rs. 6.08 lacs given to High Court.

2. Amount due to SSI unit for a period exceeding 30 days **Nil** Nil
3. 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.
4. Extraordinary item **Nil** Nil
5. Depreciation on intangible asset viz computer software has been provided at straight line method. No depreciation has been provided on building, plant and machinery in NSEZ, NOIDA as the same was not put to use till the year end.
6. 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, if any, on reconciliation is not likely to be significant.
7. 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.

**8. DEFERRED REVENUE EXPENDITURE**

The amount represents 1/10 of non refundable fee paid to S. C. Hotels for use of brand name Crowne Plaza amortized during the year.

9. 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.

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 :	2008-2009	2007-2008
Discount Rate	8.00 %	8.00%
Rate of increase in Compensation levels	6.00 %	6.00%
Superannuation age	58 yrs	58 yrs
Mortality		LIC(1994-96) Ultimate
II. Table Showing Change in Benefit Obligation :		
Projected Benefit Obligations (PBO) at the beginning of the year	53,07,000	40,39,700
Interest Cost	3,95,643	2,75,151
Service Cost	8,42,665	6,39,895
Benefits paid	(7,22,936)	(12,00,614)
Actuarial (gain) loss on obligations	30,15,628	15,52,868
PBO at the end of the year	88,38,000	53,07,000
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	7,22,936	12,00,614
Benefits paid	(7,22,936)	(12,00,614)
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	7,22,936	12,00,614
Benefits paid	(7,22,936)	(12,00,614)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-
V. Funded Status	(88,38,000)	(53,07,000)

VI. Limits of Corridor not considered since total actuarial gain/loss is being recognised as on 31-03-2007		
Actuarial gain/(loss) for the year - Obligation	(30,15,628)	(15,52,868)
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	(30,15,628)	(15,52,868)
Actuarial (gain)/loss recognised	30,15,628	15,52,868
Unrecognised actuarial gains (losses) at the end of the year	-	-
VII. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis		
Present Value of Obligation	88,38,000	53,07,000
Fair value of Plan Assets	-	-
Difference	88,38,000	53,07,000
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	88,38,000	53,07,000
VIII. Net Periodic Cost		
Current Service Cost	8,42,665	6,39,895
Interest Cost	3,95,643	2,75,151
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	30,15,628	15,52,868
Expenses Recognised in the Income Statement	42,53,936	24,67,914
IX. Movements in the liability recognised in the Balance Sheet:		
Opening Net Liability	53,07,000	40,39,700
Expense as above	42,53,936	24,67,914
Contributions/Transfers	(7,22,936)	(12,00,614)
Closing Net Liability	88,38,000	53,07,000

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

11. Related party transactions

- Associate Companies	CHL (South) Hotels Limited CHL International CHL Biotech Pvt. Ltd.
- Key Management Personnel	Dr. L.K.Malhotra - Managing Director Mr. Luv Malhotra - Executive Director
- Entities controlled by Directors or their relatives	Kyjol Entertainment Media Pvt Ltd. Mela Hotels Limited Malbros Capital Services Pvt Ltd. On Track Technocraft Developer Pvt Ltd.

**CHL LIMITED**

Name of Party	Relationship	Nature of Transaction	Transaction Value (Rs. in lacs)	Bal. O/S Receivable / (Payable) as on 31/03/2009 (Rs. in lacs)	Written off/ Written Back
a) United Overseas	A firm in which Director's relative is partner	Purchase of Rice	15.99	(1.14)	NIL
b) Mohan Meakin Ltd	A company in which Director is Director	Supply of Liquor	0.26	(0.10)	NIL
c) CHL International	An associate Company	Advance/ Investment	686.21	1595.23	NIL
d) CHL (South) Hotels Ltd	An associate Company	Advance/ Investment	450.00	NIL	NIL
e) CHL Biotech Pvt. Ltd.	An associate Company	Advance/ Investment	20.10	5.00	NIL

12. Managerial Remuneration to Directors

Particulars	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Salary & Allowances	160.00	134.40
Contribution to Provident Fund	12.00	10.08
Other benefit/perquisites	2.80	3.00
Commission to Directors	145.61	266.33
Sitting Fee to other Directors	9.60	9.80

Computation of Net Profit under section 349 read with Section 305 & Section 198 of the Companies Act, 1956

	2008-2009 (Rs. in lacs)	
Profit before Taxation		2,179.37
Add: Managerial Remuneration & Commission	305.61	
Directors' Sitting Fee	12.40	
Loss on Sale/Discard of Fixed Assets	11.10	
Loss on Sale of Investment	270.33	
Depreciation charged to Accounts	338.31	937.76
Less: Depreciation u/s 350 of the Companies Act	338.31	
Profit on Sale of Fixed Assets	0.57	338.88
Profit for the purpose of Directors' Commission u/s 198		2,778.25
Directors' Commission @ 10% of the Profit included under the head Salaries, Wages, Stipend & Bonus.		277.82
Commission payable to Non executive Director @ 1% of Profit as above included under the head Salaries, Wages, Stipend & Bonus.		27.78

13. EARNING PER SHARE	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Profit after Taxation	1,328.12	2105.14
Weighted average number of equity shares outstanding	109.65	109.65
Basic & Diluted earning per share in rupee (face value – Rs. 10/- per share)	12.11	19.20
14. DEFERRED TAX LIABILITIES		
(A) Deferred Tax Liability		
Depreciation on Fixed Assets	578.26	540.93
Deferred Revenue Expenditure to the extent not amortised	0.47	0.95
Total (A)	578.73	541.88
(B) Deferred Tax Asset		
Disallowance u/s 43 (B) of Income Tax	14.73	0.00
Total (B)	14.73	0.00
Net Deferred Tax Liabilities (A-B)	564.00	541.88
15. No deferred tax on short term capital loss has been recognized in absence of there is no virtual certainty of short term capital gain in near future.		
16. A. The company has been exempted vide order No. 46/222/2008/CL-III dated 05/02/2009 of Ministry of Corporate Affairs, Government of India u/s 211(4) of the Companies Act, 1956 from the disclosure of quantitative details of turnover, stocks, purchases, production and consumption of raw material for the financial years ended 31st March 2009, 31st March 2010 and 31st March 2011.		
B C.I.F. Value of Imports		
	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
a) Food & Beverage	Nil	Nil
b) Wine & Liquor – through canalizing agencies.	64.79	108.88
c) Components and spare parts	4.23	Nil
d) Capital Goods	114.05	174.52
C. Expenditure in Foreign Currency – on payment basis		
i. Technical Services	207.99	226.25
ii. Others	155.68	148.97
D. Earning in Foreign Exchange – on receipt basis		
On account of hotel services	3,483.07	5,174.60

**E. Remittance in Foreign Currency on account of Dividend**

The company has remitted dividend in respect of shares held by Non Residents. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non Resident External account (NRE). The total amount remittable in this respect is given below:

Final Dividend	2008-2009	2007-2008
1. No. of Non Resident shareholders	145	145
2. No. of equity shares held by them	88,08,282	94,90,236
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	129.15	129.15
4. Amount of Rupees (in lakhs) remitted to banks in India.	47.02	60.65
5. Year to which Relates	2007-2008	2006-2007
Interim dividend		
1. No. of Non Resident shareholders	151	148
2. No. of equity shares held by them	94,80,492	93,10,286
3. Rupees (in lakhs) equivalent of amount paid in Foreign currency	96.81	129.15
4. Amount of Rupees (in lakhs) remitted to banks in India.	45.35	57.06
5. Year to which Relates	2008-2009	2007-2008

17. 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 rupee.

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

a. Registration Details

CIN No.	L55101DL1979PLC009498
State Code	55
Balance Sheet Date	31.03.2009

b. Capital raised during the year**(Rs. in lacs)**

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

c. Position of mobilization and deployment of funds

Total Liabilities	10,859.37
Total Assets	10,859.37

SOURCE OF FUNDS

Paid-up Capital	1,096.37
Reserve & Surplus	5,933.71
Secured Loans	3,047.60
Unsecured Loans (Security Deposits)	217.69
Deferred Tax (Net)	564.00

APPLICAION OF FUNDS

Net Fixed Assets	5,709.81
Investments	673.15
Net Current Assets	4,475.01
Misc. Expenditure	1.40

d. Performance of the Company

Turnover	8,498.83
Total Expenditure	6,319.47
Profit / (Loss) before Tax	2,179.36
Profit / (Loss) after Tax	1,328.12
Earning per share	12.11
Dividend Rate (%)	30

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

Items Code (ITC Code)	NA
Product Description	Hotel Business

Signatures to Schedule 1 to 16.

For and on behalf of the Board of Directors

N.K. GOEL
Vice President Finance

G. J. VARADARAJAN
Company Secretary

Dr. L. K. MALHOTRA
Chairman & Managing Director

O.P. BAJAJ
Director

New Delhi
Date : July 31, 2009



CHL LIMITED

CHL LIMITED

Regd. Office : "CROWNE PLAZA", New Friends Colony, New Delhi-110 025
Tel. : 91-11-2683 5070 Fax : 91-11-2683 7758

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 30TH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 23rd September, 2009 at 11.30 A.M. at Hotel Crowne Plaza, New Friends Colony, New Delhi-110025 and at any adjournment thereof.

Signed this.....day of.....2009

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 : "CROWNE PLAZA", New Friends Colony, New Delhi - 110 025
Tel. : 91-11-2683 5070 Fax : 91-11-2683 7758

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 23rd September, 2009 at 11.30 A.M.

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.

U. P. C.

If undelivered please return to :



CHL LIMITED

HOTEL CROWNE PLAZA

NEW FRIENDS COLONY

NEW DELHI - 110 025.